GOVERNMENT SECURITIES MANUAL

Issued by authority of the Government of India.

SECOND EDITION



CONTENTS

This Manual was originally compiled in 1918 in order to bring together all orders existing at the time in the Civil Account Code and elsewhere regarding Government Securities. In this edition, the changes in practice and procedure due to the passing of the Indian Securities Act (Act X of 1920), the amalgamation of the Presidency Banks into the Imperial Bank of India, etc., have been incorporated and the orders contained herein supersede all previous orders.

Government Securities Manual

CHAPTER I.

Introduction.

1. The rules in this Manual lay down the procedure to be followed in Government offices in dealing with securities issued in respect of the Government of India rupee debt. They also apply to securities issued in respect of loans of Provincial Governments, except in so far as they may have been abrogated or modified by special rules issued by the Governments concerned. The law relating to Government securities is contained in the Indian Securities Act (Act X of 1920) which is reproduced in Appendix I. Section 28 of the Act empowers the Governor General in Council to make rules on certain matters relating to Government securities and the statutory rules so made have the force of law. The statutory rules applicable to Government of India securities are contained in Appendix II. The procedure laid down in this Manual is based both on the statutory rules and on the [illegible] [illegible] other matters connected with these securities.

The administration of the public debt and [illegible] are vested in the Central Public Debt Office [illegible] Imperial Bank of India [illegible]

Madras, which are managed by the Local Head Offices of the Imperial Bank of India at those places. The general control of the administration of the public debt vests in the Controller of the Currency, who delegates part of his functions to the Deputy Controllers of the Currency in the areas over which they have jurisdiction (*vide* Article 2 of the Currency and Resource Manual). A substantial and important part of the work falls, however, on the district treasuries, and in view of the increased extent to which Government securities are being held by the people at large, outside the Presidency towns, the responsibilities of Treasury Officers are now considerable, and Government has to rely increasingly upon the care and attention with which they perform their duties in connection with those securities. It is mainly for the use of Treasury Officers that this Manual has been issued, and they should make themselves thoroughly conversant with the instructions contained herein, more especially with those contained in Chapters IV (Payment of Interest) and V (Endorsements on Promissory Notes), which deal with matters of direct and frequent concern to the work at treasuries.

These rules are designed for the protection of the interests both of Government and of the holders of securities; Treasury Officers' duties do not, however, end with the due and formal observance of them. They should remember that it is they, and the staffs working under them, who deal direct with the public, and that the popularity of Government securities, particularly among investors outside the large cities, is in a large measure dependent upon the expedition with which the business of those investors is put through, the absence of unnecessary formality, and, generally, the consideration with which they are treated, whenever they have occasion to visit a treasury to draw interest, or to make enquiries, or to do any other business in connection with their securities.

In the present chapter a general description is given (1) of the nature and main characteristics of the three principal forms in which Government securities are issued, and (2) of the various loans which comprise the rupee debt of India and in respect of which such securities are in existence. The subsequent chapters describe in detail the procedure to be followed in connection with such matters as the conversion of one form of security into another, transfers between loans, payment of interest, repayment of terminable loans, renewal of securities, etc.

Forms of securities issued.

2. The three main forms in which the rupee debt is held are:—(i) *Stock*, or, as it is sometimes called, *Book Debt*, (ii) *Bearer Bonds*, (iii) *Promissory Notes*.

(i) When debt is held in the form of Stock the owner is given a certificate to the effect that he has been registered in the books of the Public Debt Office as the proprietor of a certain amount of Government Stock. This certificate is known as a *Stock Certificate*, and it is by that name that this form of debt is generally known and will be referred to in this Manual.

(ii) A *Bearer Bond* certifies that the bearer is entitled to a certain sum of money in respect of the loan to which the bond relates.

(iii) A *Promissory Note* contains a promise by the Governor General in Council, on behalf of the Secretary of State for India, to pay a certain sum, a specified sum, either on a specified date or after certain notice (according to the terms of the particular loan to which the promissory note relates), and to pay interest thereon at a certain rate half-yearly on certain specified dates.

Each of the above three forms of security is convertible by the holder into either of the other two (*vide* Chapter III).

Comparison of the three principal forms of securities.

3. The chief characteristics and relative advantages of the above three forms of Government securities are as follows :—

(*i*) *Stock Certificates.*—The ownership of Government Stock depends, not on the possession of a stock certificate, but on the fact that the owner's name is registered in the books of the Public Debt Office as being the proprietor of so much stock. The sale, handing over, or endorsement of the certificate does not effect a change of ownership, which can only be carried out by means of a transfer deed, upon execution of which the transferee's name is substituted for that of the transferor in the Public Debt books. It follows, therefore, and this is the essential characteristic of this form of public debt, that the owner of Government stock possesses a practically complete security against loss by theft, fire, etc. A stock certificate is of no value in the hands of a wrongful holder, and the risk arising from the possession of other forms of negotiable securities is thereby avoided; while an owner of stock who loses his certificate can always obtain a fresh one by reporting to the Public Debt Office the circumstances in which the certificate has been lost. The transfer deed, execution of which is necessary to effect a change of ownership, is merely a printed form, copies of which are obtainable at any Public Debt Office (or the blank form printed on the back of the certificate itself can be used for this purpose); it does not require to be stamped, and its execution involves no expense and no formality, beyond the filling up of the form and its signature, before a witness, by the two parties.

A further advantage of holding debt in this form is that interest is paid on warrants issued by the Public Debt Office and made payable at whatever treasury or sub-treasury the owner chooses, payment being made upon such warrants without the production of the stock certificate itself.

(iii) *Bearer Bonds.*—As their title indicates, these bonds are payable to bearer, and, so far as Government is concerned, possession is sufficient to constitute ownership, transference of which can be effected without any formalities and by the mere handing over of the bond by the transferor to the transferee. When the loan, in respect of which the bond has been issued, falls due for payment, payment of the amount due on the bond will be made to the actual presenter, just as is done when a currency note is presented for encashment at a Currency Office, without any enquiry as to the status or title of the presenter, and with no regard to any endorsement that may appear on the bond. The essential characteristic, therefore, of a bearer bond is the absolute freedom with which it can be negotiated.

Similarly, as in the case of stock certificates, holders of bearer bonds are not required to present them, either in person or by agent, when interest falls due. Interest coupons are attached to each bond, and payment is made on due date to the presenter of a coupon at the Public Debt Office or at the treasury at which the bond is registered for payment of the coupons or at any sub-treasury subordinate to that treasury.

(iv) *Promissory Notes.*—A [illegible]
[illegible]

printed on the back of each note. Interest is payable at the treasury on which the note is enfaced for payment of interest, or at any sub-treasury subordinate to such treasury, on presentation of the note itself.

4. In several respects, therefore, a promissory note stands mid-way between the other two forms of Government securities; thus,

(*a*) As regards security against loss, a promissory note is less secure than a stock certificate but more secure than a bearer bond. A stock certificate, as stated above, is of no value in the hands of a wrongful holder. A person who has obtained possession of a promissory note belonging to another person can use it to his advantage, but only if he is prepared to forge an endorsement or to impersonate the rightful owner, and the rules, laid down in subsequent chapters of this Manual for dealing with promissory notes when presented at a Government office, render such acts dangerous. It is however easy for the wrongful holder of a bearer bond to dispose of it readily and the only complete safeguard against the loss of a bond by theft or misappropriation, is safe-custody.

(*b*) On the other hand, as regards negotiability, a promissory note is negotiable somewhat more readily than a stock certificate (though only to the extent by which an endorsement by the vendor of a promissory note is simpler than the signature by both parties of the form of transfer of a stock certificate and the subsequent registration of the transfer in the books of the Public Debt Office) and less readily than

a bearer bond, ownership of which passes simply by transference of the bond itself.

A promissory note is thus a compromise between the two extremes of complete security and immediate negotiability, and it is probably due to this fact that this form of Government security has hitherto proved the most popular of the three, more especially among those classes of investors who are not yet conversant with modern business methods and who at the same time possess few facilities for the safe custody of valuable documents.

Other forms of Government securities.

5. *Treasury Bills and Post Office Cash Certificates* are also forms of Government securities.

Treasury Bills, which are issued in respect of temporary borrowings by the Government of India, usually have a currency of from three to twelve months. Their sale and payment at maturity are arranged by the Imperial Bank of India and any persons making enquiries regarding the purchase of a treasury bill should be referred to the local branch of the Imperial Bank of India or, if there is none, to the Local Head Office of the Bank at Calcutta, Madras or Bombay, as the case may be. The rules regarding the renewal of Treasury Bills and for the recovery of their value if lost or destroyed are given in Appendix II.

The sale of *Cash Certificates* is arranged by the Post Office and any enquiries about them should be referred to the local postmaster. The rules regarding cash certificates are to be found in the Post Office Guide.

The other forms of issue of Government securities are not further referred to in this Manual. If, however, any enquiries are received by a Government officer in his official capacity, they should be dealt with in accordance with paragraph 44.

Current rupee loans.

6. The existing rupee loans are of two kinds :—

(1) Those which Government has undertaken not to repay before a certain fixed date, but which are repayable at the option of Government at any time after that date, after giving notice. As there is no fixed term at the expiry of which the repayment of such loans by Government is obligatory, they are usually known as *Non-Terminable Loans.* In the case of all these loans the date, before which the loan is not to be repaid, has already passed.

(2) Those which Government has undertaken to repay either (*a*) on a certain fixed date, or (*b*) not earlier than a certain fixed date and not later than another fixed date. Such loans are called *Terminable Loans.*

7. The following are the loans now in existence :—

(*a*) *Non-Terminable Loans.*

Name of loan.	Half-yearly date of payment of interest.	Conditions of repayment. (Unless otherwise stated, repayment will be made at par.
1. 3½ per cent. loan of 1842-43.	1st February and 1st August.	Repayable at the option of Government after three months' notice.
2. 3½ per cent. loan of 1854-55.	30th June and 31st December.	
3. 3½ per cent. loan of 1865	1st May and 1st November.	
4. 3½ ,, ,, 1879	16th January and 16th July.	
5. 3 ,, ,, 1896-97.	30th June and 31st December.	
6. 3½ per cent. loan of 1900-01.	30th June and 31st December.	

(1) [illegible]

[illegible]	[illegible]	[illegible]
1 [illegible]	[illegible]	[illegible]
2 [illegible]	[illegible]	[illegible]
3 [illegible]	[illegible]	[illegible]
4 [illegible]	[illegible]	[illegible]
5 [illegible]	[illegible]	[illegible]
6 [illegible]	[illegible]	[illegible]
7 [illegible]	[illegible]	[illegible]
8 [illegible]	[illegible]	[illegible]
9 [illegible]	[illegible]	[illegible]
10 [illegible]	[illegible]	[illegible]
11 [illegible]	[illegible]	[illegible]
12 [illegible]	[illegible]	[illegible]

[illegible]

[illegible]

CHAPTER II.

CONVERSION OF GOVERNMENT SECURITIES FROM ONE FORM TO ANOTHER.

9. In the case of securities enfaced on or registered for payment of interest at Bombay or Madras, or at the treasuries situated within those Presidencies, the conversion will be effected by the Public Debt Offices, Bombay and Madras, respectively. In other cases the conversion will be effected by the Public Debt Office, Calcutta.

Conversion of a security of one loan into another form of security of a different loan.

10. When a holder desires to convert securities of one loan into another form of security of a different loan, the conversion will be subject to the rules and conditions, regarding transfers between loans, contained in Chapter III and also to the following:—

(*i*) Promissory notes of any of the 3½ per cent. loans may be converted into stock certificates of the same or of any other 3½ per cent. loan.

(*ii*) In order to avoid unnecessary multiplication of forms, 3½ per cent. bearer bonds are only issued in respect of the 1854-55 loan. Consequently, holders of stock certificates or promissory notes of any 3½ per cent. loan, who desire to convert the same into bearer bonds, will receive bonds of the 1854-55 loan.

(*iii*) 3 per cent. bearer bonds are not issued. Consequently, stock certificates or promissory notes of the 3 per cent. loan of 1896-97, the holders of which desire to convert their securities into bearer bonds, will be converted into bearer bonds of the 3½ per cent. loan of 1854-55, on the same terms as those set forth in paragraph

22, for transfers from the 5 per cent. Loan to the 3½ per cent. Loan of [illegible]]

(d) When stock certificates are converted into promissory notes, the notes issued will be of the same loan as that to which the stock certificates relate.

(e) Bearer bonds of any loan can only be converted into stock certificates or promissory notes of the same loan.

11. A holder of a stock certificate wishing to convert the whole or a portion of the sum represented by it into either bearer bonds or promissory notes, may do so by tendering it either at the Public Debt Office in whose books the stock stands, or at the treasury or sub-treasury at which interest is payable, with the following endorsement:—

Conversion of stock certificates into bearer bonds or promissory notes.

"Received in lieu of this stock certificate [illegible] of Rs each (together with a new stock certificate for the balance amounting to Rs) with interest payable at Treasury."

Signature of the registered holder or his duly authorised representative.

Note.— [illegible]

12. A holder of bearer bonds wishing to [illegible] stock certificates or promissory notes [illegible] them to the Public Debt Office, Calcutta, Bombay or Madras, or the [illegible] treasury at which the loan is registered [illegible] No bearer bond will be accepted for conversion unless the full [illegible] attached thereto.

Conversion of bearer bonds [illegible]

Conversion of promissory notes into stock certificates or bearer bonds.

13. (*a*) A holder of promissory notes, desiring to convert his holding into stock certificates, should surrender them either at the Public Debt Office, Calcutta, Bombay or Madras, as the case may be, or at the treasury or sub-treasury on which the notes have been enfaced for payment of interest. Each promissory note so tendered should be endorsed "Pay to the Governor General of India in Council."

The holder will receive in exchange for the consolidated amount of such notes a stock certificate of the loan to which the notes appertain. If the notes belong to one or more of the $3\frac{1}{2}$ per cent. loans, the holder may, subject to the general conditions governing transfer between these loans, obtain a stock certificate of any other $3\frac{1}{2}$ per cent. loan into which transfer is admissible and into which he may desire to transfer his holding.

(*b*) A holder of promissory notes, wishing to convert them into bearer bonds, may do so by tendering them either at the Public Debt Office, Calcutta, Bombay or Madras, as the case may be, or at the treasury or Sub-treasury on which the notes were enfaced for payment of interest, with the following endorsement:—

"Received, in lieu hereof, and of notes Nos.—— in the loan of——of the value of——Rs.——a bearer bond (or bonds) of Rs.——each amounting to Rs.——with interest payable at—— Treasury."

Signature of the holder or duly authorised representative of holder. } ——————

NOTE.—See the note to paragraph 11.

Procedure for dealing with applications for conversion.

14. (*a*) Applications for conversion must in all cases state the number and the value of, and the loan to which belongs the stock certificate, bearer bond or promissory

note, tendered for conversion. The application should also state similar particulars as to the stock certificate, bearer bond or promissory note required in exchange.

(b) Forms of application for conversion (Form 1) should be kept in stock at all treasuries and should be distributed free of charge to applicants when required. But an application not in the prescribed form should not be rejected, provided the necessary particulars have been correctly entered.

(c) On receipt, the application should be carefully checked in respect of all the details entered therein, with special reference to the particulars referring to the stock certificate, bearer bond or promissory note (as the case may be) tendered for conversion.

15. (a) In the case of stock certificates and promissory notes tendered for conversion, the Treasury Officer should satisfy himself that the endorsements required under paragraphs 11 and 13 have been made and are in order.

(b) In the case of promissory notes tendered for conversion the Treasury Officer should further satisfy himself—

(1) that the due registration of all documents in support of title to the note is certified on the reverse as provided in paragraph [illegible] Chapter V, and

(2) that the person presenting the promissory note for conversion is the person whom he represents himself to be.

(c) In all cases a receipt should be granted by the Treasury Officer in Form 1 in acknowledgment of the receipt of the securities tendered for conversion. A receipt should be [illegible]

16. (*a*) When stock certificates and promissory notes are tendered for conversion into bearer bonds, stock certificates, or promissory notes of the same loan, all accrued interest should be drawn before the application for conversion is admitted.

In the case of bearer bonds, tendered for conversion into stock certificates or promissory notes, all unpaid coupons which are due must be paid before the application for conversion is admitted.

(*b*) When the conversion, however, is into a different loan, the adjustments mentioned in paragraph 20 will be necessary.

17. (*a*) When an application has been checked and is found to be in order, and all accrued interest and unpaid coupons, which are due, have been paid, the Treasury Officer will forward the application, together with the stock certificates, bearer bonds, or promissory notes, to the Public Debt Office concerned.

(*b*) Promissory notes and bearer bonds and coupons should be despatched in a registered cover without being cut and insured as of the value of Rs. 100.

18. If the Public Debt Office find everything in order, it will forward to the Treasury Officer for delivery to the applicant—

(1) The stock certificates, bearer bonds, or promissory notes applied for; and

(2) An interest warrant for the amount of interest due on the conversion, calculated in accordance with column 3 of the tables in paragraph 20.

The Treasury Officer will deliver the former to the applicant on his returning, duly signed, the receipt referred to in paragraph 15. An acknowledgment of the

receipt of the new securities should be taken. The interest warrants will be dealt with in the manner explained in rule 21.

Fees for conversion.

19. The Public Debt Office charges certain fees in connection with the conversion from one form of security to another, except in the case of conversion into stock certificates. These fees are 4 annas per cent in the case of each converted security not exceeding Rs. 400 and [illegible] per security in the case of each converted security exceeding Rs. 400, and are payable at the time of application for conversion. The Treasury Officer will record the fact of receipt of these fees on the back of the stock certificate, bearer bond or promissory note presented for conversion, and the amount should be credited into the cash account in the same way as renewal fees on promissory notes (vide paragraph 67), the coupons attached to Form I being filled in and despatched to the Public Debt Office.

Adjustment of interest in certain cases of conversion.

20. Adjustments of interest are necessary in the following cases and should be made as shown in column 3 of the following table:—

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

Para. 201 ADJUSTMENT OF INTEREST IN CERTAIN CASES OF CONVERSION.

(*b*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1842-43—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1854-55 . .	29th June . .	31st January .	1st February.
	30th December .	31st July .	1st August.
1865. . .	30th April . .	31st January .	1st February
	31st October . .	31st July . .	1st August.
1879. . .	15th January . .	31st July . .	1st August.
	15th July . .	31st January .	1st February.
1900-01 . .	29th June . .	31st January .	1st February.
	30th December .	31st July . .	1st August.

(*c*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1854-55—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1842-43 . .	31st January . .	30th December .	31st December.
	31st July . . .	29th June . .	30th June.
1865. . .	30th April . .	30th December .	31st December.
	31st October . .	29th June . . .	30th June.
1879. . .	15th January . .	30th December .	31st December.
	15th July . .	29th June . .	30th June.

(*d*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1879—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1842-43 . .	31st January . . .	15th January .	16th January.
	31st July . . .	15th July . .	16th July.

and the conversion is of the loan of	and interest has not been paid for the last half year ending	interest will be paid for that half year only up to	and the new loan will bear interest from
[illegible]	[illegible] June	[illegible] January	[illegible] January
	[illegible] December	[illegible] July	[illegible] July
[illegible]	[illegible] April	[illegible] January	[illegible] January
	[illegible] October	[illegible] July	[illegible] July
[illegible]	[illegible] June	[illegible] January	[illegible] January
	[illegible] December	[illegible] July	[illegible] July

[illegible]

and the conversion is of the loan of	and interest has not been paid for the last half year ending	interest will be paid for that half year only up to	and the new loan will bear interest from
[illegible]	[illegible] January	[illegible] December	[illegible] December
	[illegible] July	[illegible] June	[illegible] June
[illegible]	[illegible] April	[illegible] December	[illegible] December
	[illegible] October	[illegible] June	[illegible] June
[illegible]	[illegible] January	[illegible] December	[illegible] December
	[illegible] July	[illegible] June	[illegible] June

CHAPTER III.

TRANSFERS BETWEEN LOANS.

Transfers between the $3\frac{1}{2}$ per cent. loans.

21. Promissory notes and stock certificates of any of the $3\frac{1}{2}$ per cent. loans can be transferred to any other of those loans.

The conditions on which such transfer is permitted are that—

(1) subject to the exceptions noted below a full half-year's interest is due on the stock certificate or the promissory note at the time it is presented for transfer.

Exceptions.—Transfers are permitted in the following cases independently of the above condition as shown below:—

From the loan of	To the loan of			
	1842-43.	1854-55 and 1900-01.	1865.	1879.
1842-43	..	In the months of July and January.	In the months of January, May, June, July, November and December.	..
1854-55	In all months of the year except January and July.	To the loan of 1900-01 at any time.	In the months of May, June, November and December.	At any time except from 31st December to 15th January and from 30th June to 15th July.
1865	In the months of February, March, April, August, September and October.	In all months of the year except May, June, November and December.	..	In the second fortnights of January and July and in the months of February, March, April, August, September and October.
1879	..	..	In the months of May, June, November and December.	..
1900-01	In all months of the year except January and July.	To the loan of 1854-55 at any time.	In the months of May, June, November and December.	At any time except from 31st December to 15th January and from 30th June to 15th July.

(2) The [illegible]

(3) [illegible]

(4) The [illegible]

22. [illegible]

(1) If [illegible]

(2) If [illegible]

(a) [illegible]

(b) [illegible]

(3) Interest on all 3 per cent. securities tendered for conversion, which has accrued up to the end of the preceding half-year, and has not been already drawn, will be paid in cash at the time of conversion; and the new $3\frac{1}{2}$ or 3 per cent. securities will bear interest from the beginning of the half-year current at the time of conversion.

(4) Securities may be tendered for conversion at the Public Debt Office, Calcutta, or at any other Local Head office of the Imperial Bank or at any treasury at which interest is for the time being payable. Securities so tendered must bear one of the following endorsements duly signed as the case may be:—

(*a*) "Received in lieu of this $\frac{\text{stock certificate}}{\text{promissory note}}$ $3\frac{1}{2}$ per cent. $\frac{\text{stock certificate}}{\text{promissory note}}$ for....................and 3 per cent. $\frac{\text{stock certificate}}{\text{promissory note}}$ for..........." or

(*b*) "Received in lieu of this $\frac{\text{stock certificate}}{\text{promissory note}}$ and of a cash payment of Rs.................$3\frac{1}{2}$ per cent. stock certificate for "

CHAPTER IV

Payment of Interest

(A) *Stock Certificates*

Method and place of payment

22. Interest on stock certificates is paid on warrants issued by the Public Debt Office at which the certificate is registered, and payable at Calcutta, Bombay, or Madras, as the case may be. Stock may be transferred from one Public Debt Office to another. If so desired by the proprietor of the stock, warrants will be made payable at any treasury or sub-treasury, or, in a State in India at the Head Post Office if there is no British treasury, or, if there is no Head Post Office at any Post Office designated by the Governor General in Council by order in writing in this behalf*, in which case the proprietor should intimate, in a written application to the Public Debt Office, the place at which he desires his interest warrants to be made payable, and such a request will continue to be acted upon at each half year, until it is revoked. Stock certificates may be held by two or more persons jointly, and any one or more of them can receive interest thereon under a joint [illegible] power of attorney which is free from stamp duty. In no case is presentation of the stock certificate itself required when interest is drawn. Unless the stock relates to a loan the interest on which is not liable to income tax, these warrants are issued for the net amount payable after deduction of tax.

Ordinarily, interest warrants will be sent direct to the treasury at which they are made payable, or, if payable at a sub-treasury, to the treasury to which such sub-treasury is subordinate. If, however, the proprietor so prefers, his warrants will be sent by post to himself, or to his bank or agent, at any address desired, on his intimating the necessary particulars to the Public Debt Office concerned.

*Note.—The Governor General in Council has directed that [illegible] for the payment of [illegible] may be made payable at the [illegible] Post Office.

subsequently desire the coupons to be made payable at a different treasury, within the sphere of the same Public Debt Office, transfer of registration will be permitted on application being made therefor.

(*b*) The domicile of a bond may be transferred from one Public Debt Office to another, on application (which may be made direct or through the Treasury Officer concerned) either to the Public Debt Office on whose books the bond stands, or to the Public Debt Office to which it is desired to transfer it. Thereafter, the coupons will be payable at the latter Public Debt Office, or, at the holder's option, at any treasury subordinate thereto which he may select.

(*c*) Notwithstanding any arrangement made under the preceding paragraphs, payment of coupons on due date will never be refused at the Public Debt Office of domicile, even though the bond to which they belong may be registered for payment of coupons at a treasury.

27. The following particulars are printed on each coupon:—

(*a*) The loan to which the bond relates;
(*b*) The amount of interest due on the coupon;
(*c*) The number of the half-yearly dividend;
(*d*) The amount of the bond;
(*e*) The date on which the coupon is due for payment;
(*f*) The number of the bond to which the coupons relate.

...ve particulars are sufficient to identify com... to which the coupon appertains, and the ... therefore not required.

Whenevei ... cer has to satisfy Debt Office, eit... of the stock, adv... belongs is cerned. In the ca... is sury, the Treasury (

of the advice to the Sub-treasury Officer. If, however, a warrant is presented for payment before advice of its issue has been received from the Public Debt Office, payment should not be refused merely on that account, if the Treasury or Sub-treasury Officer has no reason to suspect the genuineness of the warrant, and if he is satisfied that the person presenting it for payment is the payee named therein or an agent duly authorised to receive payment on behalf of the payee, payment should be made, an intimation being at once sent from the treasury to the Public Debt Office that payment has been made in advance of the receipt of the advice.

NOTE.—The foregoing paragraph [illegible] (V) applies to the payment of interest on [illegible] Certificates as well as to the payment of interest on promissory notes.

(B) Bearer Bonds.

25. Bearer bonds have attached to them a number of interest coupons which are detachable. Each coupon relates to the interest for one half-year, and bears on its face the date on which it is payable. Interest for each half-year is payable without presentation of the bond itself, to any person who presents the relevant coupon at the Public Debt Office at Calcutta, Bombay or Madras, according to the domicile of the bond (vide the next paragraph) or at the treasury at which the bond is registered for payment of the coupons.

Manner and place of payment.

26. (a) Each bond is regarded as domiciled at one of the Public Debt Offices, viz., Calcutta, Bombay or Madras, and in the absence of any other arrangement the coupons are payable at the place of domicile of the bond. Any holder can, however, by applying to the Public Debt Office of domicile (either direct or through the Treasury Officer) [illegible] arrange for his bond to be registered for payment of the coupons at any treasury within the sphere of the Public Debt Office [illegible], and the latter will [illegible] Treasury Officer accordingly. Should the holder

Place of payment.

Procedure at Treasuries.

24. In either case, *viz.*, whether the warrant has been sent direct to the treasury, or is presented for payment by the proprietor or his agent, payment will be made in the usual way, and with the same precautions, as on any duly authorised pay order or cheque, *i.e.*, the Treasury or Sub-treasury Officer will be responsible for seeing that payment is made to the proper person.

When a warrant is received by a Treasury Officer direct from the Public Debt Office, he will adopt the following procedure :—

(*a*) He will enter the details in the register of Interest Warrants (Form 3).

(*b*) If the warrant is payable at a sub-treasury subordinate to him, he should, after entering the details as in (*a*), forward the warrant to the Sub-treasury Officer.

(*c*) The Treasury or Sub-treasury Officer should advise the payee of the arrival of his interest warrant. If eight months elapse without the payee having taken payment, the Treasury Officer should remind the payee that he has not cashed his warrant, and should inform him that if he does not do so within ten days, it will be returned to the Public Debt Office. Should this reminder have no effect the Treasury Officer will return the warrant (together with the next following one, which he will have had for two months) to the Public Debt Office concerned, and will mark them off in the register as thus returned. The Public Debt Office will retain them until they are claimed.

Whenever an interest warrant is issued by the Public Debt Office, either to a treasury direct or to the proprietor of the stock, advices are sent to the Treasury Officer concerned. In the case of a warrant payable at a sub-treasury, the Treasury Officer should at once send intimation

of the advice to the Sub-treasury Officer. If, however, a warrant is presented for payment before advice of its issue has been received from the Public Debt Office, payment should not be refused merely on that account, if the Treasury or Sub-treasury Officer has no reason to suspect the genuineness of the warrant, and if he is satisfied that the person presenting it for payment is the payee named therein or an agent duly authorised to receive payment on behalf of the payee, payment should be made, an intimation being at once sent from the treasury to the Public Debt Office that payment has been made in advance of the receipt of the advice.

NOTE.—The rule in paragraph 76(d)(V) applies to the payment of interest on [illegible] Certificates as well as to the payment of interest on promissory notes.

(ii) Bearer Bonds.

25. Bearer bonds have attached to them a number of interest coupons which are detachable. Each coupon relates to the interest for one half-year, and bears on its face the date on which it is payable. Interest for each half-year is payable without presentation of the bond itself to any person who presents the relevant coupon at the Public Debt Office at Calcutta, Bombay or Madras, according to the domicile of the bond (*vide* the next paragraph) or at the treasury at which the bond is registered for payment of the coupons.

Method and place of payment.

26. Each such bond is regarded as domiciled at one of the Public Debt Offices, Calcutta, Bombay or Madras, and in the absence of any other arrangement the coupons are payable at the place of domicile of the bond. Any holder may, however, by applying to the Public Debt Office of the domicile either direct or through the Treasury Officer [illegible] have the bond registered for payment of the coupons at any treasury within the circle of [illegible] Public Debt Office [illegible] and the latter will [illegible] the Treasury Officer accordingly. Should the holder

Place of payment.

subsequently desire the coupons to be made payable at a different treasury, within the sphere of the same Public Debt Office, transfer of registration will be permitted on application being made therefor.

(*b*) The domicile of a bond may be transferred from one Public Debt Office to another, on application (which may be made direct or through the Treasury Officer concerned) either to the Public Debt Office on whose books the bond stands, or to the Public Debt Office to which it is desired to transfer it. Thereafter, the coupons will be payable at the latter Public Debt Office, or, at the holder's option, at any treasury subordinate thereto which he may select.

(*c*) Notwithstanding any arrangement made under the preceding paragraphs, payment of coupons on due date will never be refused at the Public Debt Office of domicile, even though the bond to which they belong may be registered for payment of coupons at a treasury.

Procedure at Treasuries.

27. The following particulars are printed on each coupon:—

(*a*) The loan to which the bond relates;
(*b*) The amount of interest due on the coupon;
(*c*) The number of the half-yearly dividend;
(*d*) The amount of the bond;
(*e*) The date on which the coupon is due for payment;
(*f*) The number of the bond to which the coupons relate.

The above particulars are sufficient to identify completely the bond to which the coupon appertains, and the production of the bond itself is therefore not required. Before paying a coupon, the Treasury Officer has to satisfy himself on two points only:—

(*i*) That the bond to which the coupon belongs is registered for payment of coupons at his treasury;

(ii) That the date as printed on the coupon on which the latter is due for payment has arrived.

The Treasury Officer should remember that coupons are payable to bearer, and it is no concern of his who is the holder of the bond or who is the person presenting the coupon for payment, and it is unnecessary, therefore, to take any receipt from the payee. When a coupon is paid the particulars mentioned in paragraph 27 should be entered in the registers referred to therein, the coupon should then be stamped "Paid," and should be forwarded in the usual way to the Accounts Office, as in the case of other vouchers with the list of payments.

Unless the bond relates to a loan the interest on which is not liable to income tax, the payment should be for the net amount after deducting income tax as provided in the Civil Account Code.

28. When a bond has been registered for payment of coupons at a treasury, the coupons may, on application being made to the Treasury Officer, be made payable at any sub-treasury subordinate to such treasury. The Treasury Officer will issue an order in Form [illegible] to the Sub-Treasury Officer, giving the particulars of the bond. On presentation of a coupon the Sub-Treasury Officer shall satisfy himself, by reference to the particulars given to him, that the bond to which it belongs is one the coupons on which have been ordered to be paid at his sub-treasury, and that the coupon is due for payment. Having paid the coupon he shall stamp it "Paid" and forward it as a voucher to the Treasury Officer with his daily sheet. The Treasury Officer will then enter the particulars in the register prescribed in the preceding paragraph, treating the coupon as if it had been paid at the treasury itself.

[illegible]

29. For the purpose of preventing the payment of coupons [illegible] at a treasury the Treasury Officer [illegible]

[illegible]

subsequently desire the coupons to be made payable at a different treasury, within the sphere of the same Public Debt Office, transfer of registration will be permitted on application being made therefor.

(*b*) The domicile of a bond may be transferred from one Public Debt Office to another, on application (which may be made direct or through the Treasury Officer concerned) either to the Public Debt Office on whose books the bond stands, or to the Public Debt Office to which it is desired to transfer it. Thereafter, the coupons will be payable at the latter Public Debt Office, or, at the holder's option, at any treasury subordinate thereto which he may select.

(*c*) Notwithstanding any arrangement made under the preceding paragraphs, payment of coupons on due date will never be refused at the Public Debt Office of domicile, even though the bond to which they belong may be registered for payment of coupons at a treasury.

Procedure at Treasuries.

27. The following particulars are printed on each coupon :—

(*a*) The loan to which the bond relates;
(*b*) The amount of interest due on the coupon;
(*c*) The number of the half-yearly dividend;
(*d*) The amount of the bond;
(*e*) The date on which the coupon is due for payment;
(*f*) The number of the bond to which the coupons relate.

The above particulars are sufficient to identify completely the bond to which the coupon appertains, and the production of the bond itself is therefore not required. Before paying a coupon, the Treasury Officer has to satisfy himself on two points only :—

(*i*) That the bond to which the coupon belongs is registered for payment of coupons at his treasury;

NOTE.—All such notes shall be sent by those treasuries which have only been empowered [illegible] at the place.

(C) Promissory Notes.

31. According to the wording of their promissory notes, the Government of India are legally liable to pay interest only at "The General Treasury at Fort William," i.e., at the Local Head Office of the Imperial Bank of India at Calcutta. Interest can, however, be made payable (1) at the Local Head Offices of the Bank at Bombay and Madras, or (2) at any treasury or sub-treasury. In such cases enfacements are made, lengthways across the face of the note, to the effect that interest is payable at the place named, and, when such enfacement has been made, the holder can obtain payment of interest at that place upon presentation of the note. Arrangements are made in accordance with paragraph 38 to transfer the payment of interest between a district treasury and sub-treasuries subordinate thereto.

Place of payment.

32. (1) The Public Debt Office, Calcutta, will enface notes for payment of interest at Bombay or Madras or at any treasury or sub-treasury.

Enfacement of notes for payment of interest.

(2) Notes enfaced for payment of interest at the Local Head Offices of the Imperial Bank of India, Bombay and Madras, may be re-enfaced—

(i) by the Local Head Office, Bombay, for payment of interest at any treasury or sub-treasury,

(ii) by the Local Head Office, Madras, for payment of interest at any treasury or sub-treasury,

(iii) by either Local Head Office, for payment of interest at the other.

(3) Notes enfaced for payment of interest at any treasury or sub-treasury or at the Bombay or Madras Local Head Offices may be re-enfaced for payment of interest at [illegible]

coupons are payable at a treasury.

register in Form 5 a separate section being set apart for each loan. On receipt of advice from the Public Debt Office of the registration of a bond or bonds for payment of coupons at his treasury, the Treasury Officer should at once make the necessary entries in columns 2, 3, 4, and 5 of the register, a serial number being also added in column 1 for each bond. Whenever coupons are paid, the Treasury Officer should make the necessary entry in the relevant column under "Particulars of coupons paid," stating the half-year or half-years and the number or numbers of the dividend shown in the coupons and the date of payment of coupons. The fact of payment should also be recorded in the register maintained in Form 6 from which register a schedule should be copied to accompany the list of payments and the coupons for submission to the Accounts Office. When coupons relating to a bond registered at a treasury are paid at the Public Debt Office of domicile [*vide* paragraph 26 (*c*) above], the Public Debt Office will send immediate advice of such payment to the Treasury Officer concerned, and on receipt of such advice the fact should at once be noted in the register of bonds in the proper sub-column under column 7.

On receipt of advice of cancellation of a bond registered for local payment of coupons, the necessary particulars should be entered in the column 8 of Form No. 5 and the entry cancelled.

30. (*a*) At the close of each year every Treasury Officer should make a return in Form 7, giving details of bonds remaining on his register for payment of coupons.

(*b*) In the case of treasuries situated within the Presidencies of Bombay and Madras the above return should be submitted to the Public Debt Office, Bombay or Madras, as the case may be.

(*c*) In the case of other treasuries the return should be submitted to the Public Debt Office, Calcutta.

Note.—All such notes should be sent by those treasuries at which [illegible] have to be [illegible] for payment of interest at the place.

(C) Promissory Notes.

Place of payment.

31. According to the wording of their promissory notes, the Government of India are legally liable to pay interest only at "The General Treasury at Fort William," *i.e.*, at the Local Head Office of the Imperial Bank of India at Calcutta. Interest can, however, be made payable (*a*) at the Local Head Offices of the Bank at Bombay and Madras or (*b*) at any treasury or sub-treasury. In such cases, enfacements are made, lengthways across the face of the note, to the effect that interest is payable at the place named, and, when such enfacement has been made, the holder can obtain payment of interest at that place upon presentation of the note. Arrangements are made in accordance with paragraph [illegible] to transfer the payment of interest between a district treasury and sub-treasuries subordinate thereto.

Enfacement of notes for payment of interest.

32. (*a*) The Public Debt Office, Calcutta, will enface notes for payment of interest at Bombay or Madras or at any treasury or sub-treasury.

(*b*) Notes enfaced for payment of interest at the Local Head Offices of the Imperial Bank of India, Bombay and Madras may be re-enfaced—

(i) by the Local Head Office, Bombay, for payment of interest at any treasury or sub-treasury,

(ii) by the Local Head Office, Madras, for payment of interest at any treasury or sub-treasury,

(iii) by either Local Head Office, for payment of interest at the other.

(*c*) Notes enfaced for payment of interest at any treasury or sub-treasury in the Bombay or Madras Presidency may be re-enfaced for payment of interest at Bombay

or Madras, as the case may be, either by the Public Debt Office concerned or by the Treasury Officer.

(*d*) Notes enfaced for payment of interest at any place in India will be re-enfaced for payment at Calcutta by the Public Debt Office, Calcutta.

(*e*) In any case not covered by the above instructions a reference should be made to the Public Debt Office.

Treasury procedure for recording enfacements and for making re-enfacements.

33. (*a*) For the purpose of recording enfacements the Treasury Officer will maintain a register in Form 9, a separate section being set apart for each loan. On receiving advice from the Public Debt Office of the enfacement of a note for the payment of interest at his treasury or a sub-treasury subordinate thereto, the Treasury Officer will make the requisite entry in columns 2, 3, 4, 5 and 6 of this register. A serial number should be given to each note in column 1 of the register, and this serial number should be noted on the note itself when presented for payment of interest at the treasury for facility of future reference. If the note is enfaced for payment of interest at a sub-treasury, the Treasury Officer will follow the procedure stated in paragraph 38 (*c*).

(*b*) Whenever interest on any note entered in this register remains undrawn for 10 years or more, the note should be struck off the register, the reason for doing so being recorded in column 10 of the register. This fact should be noted in the annual return submitted by treasuries to the Public Debt Office, Calcutta, under paragraph 34.

(*c*) On receipt of advice from the Public Debt Office of cancellation of an enfacement, or after himself making a re-enfacement under clause (*c*) of paragraph 32, the Treasury Officer will at once delete the entry relating to the enfacement and will not thereafter pay interest on such note.

(d) Before making a re-enfacement under clause (c) of paragraph 23 the Treasury Officer will see —

(i) that the note is enfaced for payment of interest at his treasury or a sub-treasury subordinate thereto and is entered in his register,

(ii) that the application is made by or on behalf of the holder,

(iii) that there are no blank spaces on the back of the note for endorsements and for noting interest payments, and

(iv) that there is space on the face of the note for the order for transfer; if the note already bears more than three enfacements the holder should be told that he must get it renewed.

(e) If satisfied on the above points, the Treasury Officer will write the words "Enfacement cancelled" with his signature and official designation across the existing enfacement on the note and under it fill up the new enfacement authenticating it with his signature, and making the interest payable at Madras or Bombay, as the case may be. He will cancel the entry relating to the transfer in his register and send advice to the Public Debt Office Calcutta and to the Local Head Office of the Bank concerned in Form 10.

(f) In all other cases of re-transfer, application should be made to the Public Debt Office either through the treasury at which the interest is payable or through the treasury at which payment of interest is desired [illegible] that office.

24. At the close of each year every Treasury Officer shall [illegible] Public Debt Office Calcutta [illegible]

by those treasuries which have no notes enfaced for payment of interest at them.

Payment of interest at treasuries: Treasury Officer's responsibilities.

35. Government is responsible for the payment of interest to the actual owner of a note. As the ownership of a note is transferable by mere endorsement, it is of great importance that, before paying interest, Treasury Officers should scrutinise endorsements carefully, in order to satisfy themselves that the person by whom, or on whose behalf, payment of interest is claimed, is the lawful owner of the note. It is not merely the last endorsement which needs scrutiny; the note may have changed ownership several times, and although the last endorsement may itself be in proper form, and the last endorsee's title good as against that of the next preceding owner, the latter's title may itself be defective, by reason of some legal defect in earlier endorsements. Treasury Officers should therefore be careful to satisfy themselves, as laid down in clauses (2) and (3) of paragraph 36, that all the endorsements are in order, and they, as well as all other Government officers who have to handle Government securities in their official capacities, should familiarise themselves with the main facts, regarding the legality of various kinds of endorsements, set forth in Chapter V. In all doubtful cases, or in cases which do not appear to be fully covered by these instructions, Treasury Officers should refuse to pay interest, and should refer the case to the Public Debt Office.

Conditions to be fulfilled before interest can be paid at a treasury.

36. Payment at a treasury of interest upon promissory notes is subject to the following conditions:—

(1) That the note has been duly enfaced for payment of interest at that treasury;

(2) That the person to whose receipt, or to whose agent's receipt, payment is asked for, is either the person in whose name the note was originally

[illegible] who derives his title from the said person by a chain of endorsements,

(1) each of which is in one of the forms enumerated in paragraph 41,

(2) each of which is [illegible] by the persons [illegible] in paragraphs 42 to 45 as being [illegible] legally to transfer the note.

(3) That, if the person claiming payment of interest is not the last [illegible] [illegible]

(4) That [illegible] that [illegible] as well as the [illegible] [illegible] and that there are no [illegible]

(5) That the note is not mutilated [illegible]

(6) That interest has not been [illegible] for [illegible] years.

Note [illegible] If condition (1) is not fulfilled, the Treasury Officer should [illegible] interest at that Treasury.

[illegible] If condition [illegible] the Treasury Officer should [illegible]

But if the Treasury Officer has any doubts in the matter he should refer it to the Public Debt Office.

(*iii*) If any of conditions (2), (4) and (5) are not fulfilled, or if the Treasury Officer has reason to consider, on other grounds, that the title of the person presenting the note is irregular or not fully proved, he should refuse payment of interest until the note has been renewed by the Public Debt Office.

(*iv*) If condition (6) is not fulfilled, the Treasury Officer should forward the note to the Public Debt Office with a statement of facts and any explanation that the claimant for interest may wish to give.

(*v*) When notes stand in the name of a minor or a lunatic who is incapable of managing his affairs, the following relaxations of condition (3) are permitted:—

(1) When the nominal value of the notes standing in the name of the minor or lunatic does not exceed Rs. 5,000 and when the person who wishes to draw interest is the father, or if the father be dead, the mother, of the minor or lunatic, interest may be paid without question, so long as the officer paying the interest is satisfied as to the identity of the father or mother. In the case of payment at a place other than that at which such minor or lunatic and his father or mother ordinarily resides, a certificate of identity signed by any Magistrate may be accepted.

(2) When the applicant for interest is neither the father nor the mother and when the value of the notes standing in the minor or lunatic's name does not exceed Rs. 5,000, a certificate by the District Magistrate of the district in which the interest on the securities is payable, to the effect that the applicant is the actual guardian of the minor or lunatic, should be accepted.

[illegible]

Method of payment.

37. (a) It is very important that no avoidable delay should be allowed to occur in the payment of interest which should invariably be made on the due date or as soon thereafter as possible. Consequently, at treasuries where the payments to be made are numerous, holders who can do so without inconvenience should be encouraged to send in their notes some time before the interest actually falls due, so that any preliminary examination required may [illegible] to prevent payment being promptly made. A receipt should be given for notes so presented.

(b) At each treasury will be kept a supply of the prescribed form of receipt of interest (Form IV in Appendix III) which will be given to any person proposing to draw interest. The following points in connection with the filling in of the receipt should be attended to:—

(i) A separate receipt must be given for the notes of each Loan, but any number of notes of the same Loan may be entered in the same receipt if the interest is payable to the same person.

(ii) The whole of the interest due on a note must always be taken; partial payments are not allowed.

(iii) Receipts for interest on Government securities are exempt from stamp duty.

(iv) Signatures in any language will be accepted, but a signature by a mark should be attested by some responsible person known to either the Treasury or Sub-treasury Officer concerned.

(c) The personal attendance of the holder is not necessary, [illegible] the Treasury Officer [illegible] that the

receipt is a valid quittance, *i.e.*, has been signed by the person to whom payment is due, or by a duly authorised agent.

(*d*) The Treasury Officer should record the fact of payment as follows:—

(*i*) In the interest cage (printed on the back of the note) appertaining to the half-year on account of which interest is paid he should record the name of the Treasury and date of payment over his initials;

(*ii*) In column 8 of the register of enfaced notes referred to in paragraph 33 above (Form 9);

(*iii*) In a register in Form 14, subordinate to the cash book. From this register is copied a schedule which, with receipts attached, should accompany the list of payments forwarded bi-monthly to the Accounts Office.

(*e*) Unless the note relates to a loan the interest on which is not liable to income-tax, the payment should be for the net amount after deducting income-tax as prescribed in the Civil Account Code.

(*f*) It is particularly desirable that, in the preparation of interest receipts and registers, all details, especially the numbers and amounts of the receipts, the numbers of the half-years, or the periods for which interest is paid should be carefully filled in. Experience has shown that inattention to this causes much unnecessary correspondence with the Public Debt Office.

Payment of interest at sub-treasuries.

38. (*a*) When a note is enfaced for payment of interest at a treasury and the holder desires interest to be paid at a sub-treasury subordinate thereto, or when a note is enfaced for payment of interest at a sub-treasury and the holder desires interest to be paid at the district treasury

or another sub-treasury in the same district, he should make an application to the Treasury Officer to that effect.

(b) If the note is enfaced for payment of interest at a sub-treasury, the enfacement will read—

"Interest payable at the ...... sub-treasury of the ...... district."

The Treasury Officer will enter the name of the sub-treasury and the prefix "sub" in the enfacement and sign the correction. The note will then stand enfaced at the district treasury and can be dealt with in accordance with sub-paragraph (c) below.

(c) When the holder of a promissory note enfaced for payment of interest at the treasury desires interest to be paid at a sub-treasury, or when an advice of enfacement on a sub-treasury is received from the Public Debt Office in accordance with paragraph [illegible] (c), the Treasury Officer will issue an order in Form 15 giving the number and other particulars of the note and will make an entry against the note in the register of enfaced notes that payment of interest has been authorised at the sub-treasury.

(d) Coupons are provided on the back of the [illegible] [illegible]

(*e*) On receipt of the voucher in the treasury it will be examined to see that it is in order and that the details of the note correspond with those entered in the register of enfaced notes and the payment will then be recorded in the register of promissory notes and in the register of interest payments (Forms 9 and 14).

(*f*) If the Sub-treasury Officer finds that the ownership of a note, presented for payment of interest, has changed, and if he has not received a fresh authorisation from the Treasury Officer to make payment to the new owner, he should forward the note to the Treasury Officer for orders. On receipt of the note the Treasury Officer will examine the transfer endorsement and, if it is in order, issue a fresh authorisation to the Sub-treasury Officer in the prescribed form.

CHAPTER V.

INVESTMENTS IN PROMISSORY NOTES.

39. It has already been pointed out that promissory notes are transferable by endorsement. No endorsement should be accepted which has not [illegible] on the note itself, [illegible] paper attached to the note. Every endorsement must be written clearly and legibly, on one of the [illegible] pages provided for the purpose on the back of the note.

[illegible]

40. In paragraph 35 of the preceding chapter it was pointed out, in connection with the payment of interest, that each promissory note should be examined carefully, in order to see that the person by, or on whose behalf, interest is claimed, is in fact the lawful owner of the note. There are other occasions besides payment of interest, on which Treasury Officers and others have to deal with promissory notes. These notes may be deposited at a Treasury for safe custody, or presented for repayment of the principal, or they may be held as security, for the due performance of a contract, etc. In all such cases the same precautions should be taken, and wherever there is any doubt as to the ownership of a note or the validity of any endorsement thereon, [illegible] [illegible]

[illegible]

presenter is clear and indisputable. The rules in this chapter will show what endorsements can be accepted without question and those which should not be recognised.

41. An endorsement consists of two parts, *viz.*, (1) the pay order, containing the name of the endorsee, and (2) the signature of the endorser. It will be convenient to consider these separately.

Valid forms of endorsement.

The pay-order should be worded in one of the following ways:—

(1) "Pay to A."
(2) "Pay to A or order."
(3) "Pay to A and B, jointly."
(4) "Pay to A and B or their joint order."
(5) "Pay to A or B."
(6) "Pay to A or B, or order."
(7) "Pay to A and B or either of them."
(8) "Pay to A and B or either of them or order."
(9) "Pay to A, B, C, D and E or to any one (or more) of them."
(10) "Pay to A, B, C, D and E or to any one (or more) of them or order."

And the signature should in each case be that of the person or persons legally qualified to dispose of the note, as described in the succeeding paragraphs. If the last endorsement on the note is blank, *i.e.*, although the signature has been made and is in order, the pay order itself has been left blank, the note should not be received, and the presenter should be told to get the name or names filled in. If an endorsement is not worded exactly as above, but obviously conveys the sense of one of these standard forms of endorsement, it may be recognised. For example, the substitution of "Endorsed," "Transferred" or "Sold" for the word "Pay" or the substitution of "any" for "either" in Nos. (7) and (8) or the addition of the words "or survivor" in Nos. (3) to (10) do not make the endorsement invalid

On the other hand such endorsements as "Pay to A for B," "Pay to A, [illegible] of B" which [illegible] an entirely different meaning to any of the standard [illegible] [illegible]. If there is any doubt as to the validity of an endorsement, the holder of the note should be required to present the note for renewal unless he can get the endorsement corrected and the correction attested by the endorser.

Of the above forms, (1) and (2) are called simple endorsements, (3) and (4) are called joint endorsements [illegible] [illegible] of the [illegible]. [illegible] is called [illegible]. Endorsements in any of the forms (5) to (10) [illegible] are called [illegible] endorsements.

Assuming that a note has already been validly endorsed in favour of A, B, C, etc., as in the previous paragraph, it remains to be considered how any fresh endorsement should be signed, in order to make a valid transfer of the note from the former endorsee or endorsees, A, B, C, etc., to another party. There are four separate [illegible] [illegible].

42. *[illegible] A, B, C, etc., [illegible] the [illegible] of any description [illegible] [illegible] [illegible], etc.*

(1) *Single endorsements.* (a) If the note is endorsed by A himself, and if the name [illegible] [illegible], it will be [illegible] that there is [illegible]. If the signature be in any [illegible], it must be transliterated into English and must agree with the name [illegible] in the previous endorsement, or on the face of the note as the case may be. In [illegible] [illegible] [illegible], Treasury Officers [illegible] [illegible] endorsements [illegible] [illegible] of [illegible] in [illegible] the transliteration [illegible] [illegible] [illegible] [illegible] [illegible] of the [illegible], for example "[illegible]" is frequently written "[illegible]," "[illegible]" as "[illegible]," "[illegible]" as "[illegible]," "[illegible]" as "[illegible]"

and so on, and objections should not be raised merely on that account. If the signature is that of a woman, attention should be paid to the instructions laid down in paragraph 51.

(*b*) If the note is not endorsed by A himself, (or in the case of a person unable to write by a Magistrate on his behalf in accordance with paragraph 52) the endorsement is valid only if the signature is that of a person who has the legal right to dispose of the note on behalf of A or A's estate. Thus, the signature may be that of A's guardian, heir, executor, or attorney or the administrator of his estate. In all such cases it is necessary to see that such person's claim to act in such capacity is valid. Instructions as to the steps which must be taken, and the documents which must be produced, before Treasury Officers should accept endorsements by such persons, are given in paragraphs 47 to 50.

(*2*) *Joint endorsements.*—Except as stated below, the signature of each of the joint-holders is necessary, and in respect of each such signature the same precautions should be taken as laid down above for simple endorsements. If, however, one of the joint-holders dies, then, under section 4 of the Indian Securities Act, the right to dispose of the note lapses to the survivor or survivors, and in that case an endorsement by such survivor or survivors, as the case may be, will be recognised, provided satisfactory proof of death has been produced. Treasury Officers are responsible for satisfying themselves that the fact of death is properly established, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease, made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate, copied from the usual register and attested by the proper authority, or a certificate of death. When produced, such proof should be registered, and entry made on the note,

in the following form, below the endorsement in favour of the deceased and by [illegible], in the event of the [illegible] having been specially endorsed by the [illegible] [illegible].

"Proof of death of
[illegible] No. of ."

(Signed)
Treasury Officer

NOTE.—In the certificate [illegible] will be given the full name of the person deceased, [illegible] the number of the entry in the register [illegible] which the entry has been [illegible] the year.

(b) *Alternative endorsements.*—In these cases, the note may be validly disposed of by either A, or B, or C, etc., [illegible], unless the endorsement has made the note payable to [illegible] the holders, e.g., "Pay to A, B, C, and D, or to any two of them," in which case signatures of the specified number of the holders must appear, before the note can be regarded as having been validly transferred. When the note is endorsed to two or more persons severally and either or any of them dies, it may be validly disposed of by the survivors or survivor, or the representatives of the deceased or any of them.

43. *When A, B, C, etc., are* [illegible]

For example, the last endorsement may have been like this:

"Pay to A, Secretary of the [illegible]" or "Pay to A, [illegible]" or "Pay to A, Manager [illegible] Company, Limited."

[illegible]

The general rule in such cases is to disregard entirely the designation added after the name, and to treat the note in all respects as if it were the personal property of A. Government does not undertake the responsibility of making an enquiry as to who is the person actually holding the office or position so described, and if any person, other than A, claims to be qualified to dispose of the note, not as A's heir, executor, or personal representative, but as being A's successor in such office or position, his claim should not be entertained.

In such cases the proper thing for A to do, on vacating his office, is to transfer the note, by a personal endorsement in favour of his successor.

Two exceptions.

To this rule, however, there are two exceptions :—

(i) Government Officers.

When the designation, added after the personal name, is that of a Government officer or an officer of an Indian State or of the Ceylon Government, then, if the office in question is one of those mentioned in Appendix III, the personal name should be disregarded, and the note dealt with as if it fell under paragraph 45 (3). If, however, the officer is not one of those so mentioned, the officer concerned should be told to make a reference to the Deputy Controller of the Currency who will instruct him what steps to take to get the matter regularized. Trouble will be saved if Government officers, before getting promissory notes endorsed to them in their official capacity, take care that their personal names are not entered in the endorsement.

(ii) Executors and Administrators.

The second exception is the case of the administration of an estate. For example, if a note has been endorsed "Pay to A, executor of B," or "Pay to A, administrator of B's estate," it may be validly transferred by A to another party, provided

(1) A signs himself as executor of B, or administrator of B's estate, and

(2) A [illegible] property [illegible] as laid down in paragraphs 47 to 50.

Note.—If the Treasury [illegible] that [illegible] should be [illegible] of the Rules [illegible] Appendix II, [illegible] The Deputy Controller of the Currency, Bombay, will pass [illegible] by the Public Debt Office, Bombay, in all other cases orders will be passed by the Controller of the Currency.

44. *III. Where A, B, C, etc., are personal names, but represent the name of a mercantile firm.*

For example—

"Pay to Thos. Cook and Sons."
"Pay to Messrs. [illegible] Bros., [illegible]"

When [illegible] is transferred it is necessary to see that the transferor [illegible] the [illegible] of the firm. In the case of a well-known firm [illegible] present no difficulty, but in other cases [illegible] should be taken [illegible] has been verified.

45. *IV. Where A, B, C, etc., are not personal names.*

[illegible] in favour of [illegible] Post [illegible] These are dealt [illegible]

[illegible]

Treasury and other officers should have no difficulty in ascertaining that the endorsement is signed by the person properly qualified to do so, but in all cases of new banks, or wherever there is any doubt, a reference should be made to the Public Debt Office.

(2) *Other Bodies corporate.* A promissory note may be held and negotiated by any body corporate with perpetual succession and a common seal. In such cases it is necessary to refer to the articles of association, or law, governing the constitution of the body, in order to see who is the person legally qualified to transfer notes which are the property of the body in question. In practice such an enquiry raises so many difficult questions, such as the wording of the Act, bye-laws, etc., by which the public body or corporation is governed, that great caution should be exercised regarding securities so held. When the corporation is an old-established body, such as a Port Trust, Municipality, etc., the question as to the office-bearer qualified to sign endorsements on its behalf will have been long settled, and will be generally known. But in all other cases, and particularly when the body is new or is little known (*e.g.*, if a note stands in the name of such a body as "The Society for the promotion of widow re-marriage") a reference should be made to the Public Debt Office.

(3) *Office holders.* Subject to the important exception mentioned below, an endorsement in favour of an office-holder (*e.g.*, "Pay to the Secretary of the Budgepur Dispensary") should not be recognised. Government does not accept the responsibility for being put on enquiry as to who is the actual holder of office at the time.

The exception to this rule is the case of the holders of certain Government offices and offices in Indian States and Ceylon, the names of which are given in Appendix III. In such cases a note may be validly endorsed to or by the holder of the office for the time being.

45. In paragraph [illegible]

[illegible] that it [illegible] Government [illegible] may [illegible] therefore [illegible]

NOTE.—If the rule that endorsements by trustees on promissory notes cannot be recognised causes inconvenience in any case, the Treasury Officer should call the attention of the person concerned to Rule 6 of the Rules under the Indian Securities Act (Appendix II) which allows Government stock to be registered in the name of a trustee. Applications under this rule should be addressed to the Public Debt Office. The Deputy Controller of the Currency, Bombay, will pass orders on applcations dealt with by the Public Debt Office, Bombay. In all other cases orders will be passed by the Controller of the Currency.

Production and registration of documents to establish a claim to deal with notes by a person other than the last endorsee.

47. In paragraph 42 (1) (*b*) it was pointed out that, if a note is endorsed by some person other than the last endorsee, the endorsement is valid only if the signature is that of a person who has a legal right to dispose of the note on behalf of the last endorsee or of the latter's estate, and that documents must be produced to prove that such person has that right. The following documents are necessary when the claim is to deal with a note in the capacity of—

(1) *Heir.*—A Succession Certificate granted under one of the Succession Certificate Acts, *viz.*, Act XXVII of 1860 (since repealed) or Act VII of 1889.

(2) *Executor or Administrator.*—Probate or Letters of Administration, granted by a competent Court under the provisions of the Indian Succession Act (Act X of 1865), or the Probate and Administration Act (Act V of 1881).

NOTE.—In the following cases the person having the right to deal in promissory notes standing in the name of a deceased person may in certain circumstances obtain renewal of the notes in acordance with paragraph 60 without going to the expense and trouble of obtaining any of the documents mentioned above:—

(*a*) If the deceased holder was a member of a Hindu undivided family governed by the *Mitakshara* law.

(*b*) If the face value of the securities held by the deceased person does not in the aggregate exceed Rs. 5,000,

[illegible]

[illegible] A [illegible] competent court [illegible] Guardians and Wards Act (VIII of 1890).

[illegible]

(4) Attorney.—A properly executed power of attorney (including a [illegible] power). In these cases, however, the examination of the document is usually a matter of some difficulty, involving the interpretation of legal terms, and [illegible] purporting to convey full powers to sell or otherwise transfer securities, should not be recognised without reference to the [illegible] ([illegible]).

There is one case, however, in which [illegible] proved otherwise than by the letter [illegible] representative, such as his heir, executor, administrator, etc. [illegible]

[illegible]

[illegible]

and those conveying limited powers.

the person in question to the drawal of interest, and it is important that Treasury Officers should carefully distinguish between those documents which confer an unlimited power to deal with the securities, and those in which the power is limited to the realisation of interest.

Other documents.

49. Besides the above-mentioned documents, other documents are frequently produced before Treasury Officers in connection with promissory notes. Such are:—

(1) Documents relating to the proof of death of a joint-holder [*vide* paragraph 42 (2)].

(2) Certificate of incorporation of a body corporate, or Articles of Association, or similar documents (*vide* paragraph 45).

(3) Certificate of marriage. This may sometimes be necessary, when a note, which has been endorsed in favour of a woman before her marriage, is subsequently re-endorsed by her in her married name.

All such documents should also be registered similarly to those mentioned in paragraph 47.

Treasury procedure in registering documents.

50. For this purpose the Treasury Officer will maintain a register in Form No. 16, and in registering a document he should observe the following instructions:—

(1) Two names have to be entered, *viz.*, (*a*) in the column "Name of Principal" the name of the person whose property is concerned, and (*b*) in the column "To whom granted" the name of the person to whom the document has been issued.

(2) Separate pages should be reserved for separate initials, the initial being in each case that of the surname of the "principal." The entries

[illegible]

(c) [illegible]

(d) [illegible]

(e) In the case of [illegible]

(f) All [illegible] as follows:—

[illegible]

Treasury Officer

Date   Date

(g) In the case of [illegible]

[illegible]

issued by a competent court, should, however, even when insufficiently stamped, be registered and acted upon, the fact that the document was insufficiently stamped being brought to the notice of the court concerned. In considering whether any document is sufficiently stamped, the Treasury Officers should remember —

(*1*) That the stamp duty on a document entitling the holder merely to draw interest is calculated on the amount of the securities in question, and not on the interest annually drawable.

(*2*) That powers-of-attorney, granted by a number of persons, having separate and distinct interests in the acts to be performed under such powers, must be stamped to a value equal to the aggregate amount of duty which would have to be paid if each person had executed a separate power.

(*3*) That, notwithstanding anything said above, a power-of-attorney, or any other written authority, authorising one or more of the joint-holders of a note to give a valid discharge for interest, is exempt from stamp duty.

Endorsements by women.

51. If an endorsement is signed by a woman, and the signature is in English, it will ordinarily be sufficient to adopt the same precautions as in the case of an endorsement by a man; though if a note, which has been endorsed to a woman before her marriage, is subsequently re-endorsed by her in her married name, it may sometimes be necessary, unless the Treasury Officer is satisfied that she is the actual person named in the previous endorsement, to require a certificate or other proof of marriage [*vide* paragraph 49 (3)]. If the endorsement is in a vernacular, and if the woman goes out in public, she should be asked to come to

the Treasury and to verify the signature, whereupon the Treasury Officer should write "Verified" under the signature and add his initials and designation.

But if the [illegible] cannot [illegible] attend personally at the Treasury, it is necessary, for the protection of the interests both of Government and of the holder himself, that his signature should be attested by the signatures of two respectable witnesses who [illegible] appear before the Superintendent of the Public Debt Office, or a Treasury Officer, or Justice of the Peace, or any Magistrate, to testify to the genuineness of the [illegible]. Such [illegible] should then authenticate the [illegible] as follows:—

"Signed before me [illegible]

[illegible]

(Signature [illegible])

at [illegible] the [illegible] day of [illegible]

Date [illegible]

52. If the holder of a promissory note [illegible] a Magistrate that he is for any reason unable to write and that he is the person whom he represents himself to be, the Magistrate may, at the request of the holder, sign [illegible] on his behalf, if he is satisfied that the holder [illegible]. The Magistrate [illegible] certificate [illegible] that the [illegible] was signed at the request of the holder after [illegible] and that the [illegible] fully [illegible] by the holder.

53. There are two special forms of [illegible] which [illegible]

(a) Conversion Notes

These are notes which [illegible] have been [illegible] for the [illegible] of the [illegible]

CHAPTER VI.

Renewal of Securities.

54. The rules in this chapter deal with the issue to holders of new securities in exchange for their existing ones; they do not refer to the issue of duplicate securities to replace those which have been lost or destroyed, rules regarding which will be found in paragraph 99.

Stock certificates.

55. From the description of stock certificates already given it will be seen that in their case no question of renewal arises, for the document is, as its name implies, merely a certificate and when the ownership of the stock passes to another person, a new certificate is issued in the latter's name.

Bearer bonds.

56. In the case of bearer bonds renewal is only necessary, and is only permitted, upon exhaustion of the coupons attached to the bond, in which case application should be made to the Public Debt Office of domicile or to the treasury on which the bond is registered for payment of coupons, the bond being presented with the application. When a bearer bond is presented at a treasury for renewal the Treasury Officer should, after verifying that the coupons are exhausted, forward the bond, together with the application (which may be in any form) to the Public Debt Office concerned. He should grant the presenter a receipt in Form 17 and forward the bond to the Public Debt Office, without cutting it, insuring it as of the value of Rs. 100. A register should be maintained in Form 2 for watching the disposal of all such bonds.

Note.—No fee is payable in respect of the renewal of a bearer bond.

Promissory notes.

57. In the case of promissory notes renewal may be either optional or compulsory; in either case it is of con-

[illegible]

[illegible] The fact that renewal gives a clear title [illegible] [illegible] A person who presents a note may be [illegible]

have the title to such notes tested by the Public Debt Office by requiring the holder to apply for renewal.

When renewal is necessary.

59. The rules in previous chapters will have indicated the cases in which the holder of a note should be required to receipt it for renewal. Such cases are for convenience brought together and enumerated below :—

(1) If only sufficient room remains on the back of the note for one further endorsement, or when any word or words is or are written upon the note across any existing endorsement or endorsements.

(2) If the note is crowded with writing, or torn, in any way damaged or defective, or unfit in the opinion of the officer before whom it is produced for payment of interest or for receiving endorsement.

(3) If the note bears an endorsement which is not in one of the forms enumerated in paragraph 41, or the signature to which is not that of the person or persons mentioned in paragraphs 42 to 45 inclusive as being qualified legally to transfer the note.

(4) If the note having been enfaced three times for payment of interest is presented for re-enfacement.

(5) If the endorsements are not clear and distinct, or if there is any endorsement made otherwise than in one of the endorsement cages on the back of the note.

(6) If the note in question is a Counterpart Note (see paragraph 53) and the Treasury Officer has received information that it has ceased to be the property of a minor, or to belong to an estate in which administration is limited to interest.

(7) If [illegible]

(1) There [illegible]

(a) If the [illegible]

"[illegible]"

(b) If [illegible]

ficate Act have not been obtained within this period, the person claiming to be his heir should be directed to apply to the District Magistrate for a certificate that he is the heir of the deceased. If after enquiry in the manner provided in sub-sections (*2*) and (*3*) of section 13 of the Indian Securities Act, the District Magistrate is satisfied that the applicant is the only legal heir of the deceased, he will give him a certificate in the following form :—

"Certified that————(the applicant) is the only legal heir of the deceased————the last holder of Government promissory notes Nos.————of the————per cent. Loan of————for Rs.————who died on————."

On production of the promissory notes with a certificate in either of the forms mentioned above the Treasury Officer should require the person named in the certificate to receipt the promissory notes for renewal in the form given in paragraph 62 (*iv*). The Treasury Officer should then forward the notes and the certificate to the Public Debt Office in accordance with paragraph 62 and should certify that the signature on the certificate is in order. If the title to the promissory notes is disputed, the case should be referred to the Public Debt Office.

NOTE.—In this paragraph District Magistrate has the meaning given in the explanation to section 13 of the Indian Securities Act (*vide* Appendix I).

61. The holder of any note, whether renewal is actually required under these rules or not, may procure a renewed note in lieu of his original security in any of the following ways, that is to say, he may present it duly receipted either in person or through a representative at (1) the Public Debt Office, Calcutta; or (2) if enfaced at a Government treasury, at that treasury for transmission to that office; or (3) if enfaced at Bombay or Madras, at the Public Debt Office, Bombay or Madras.

(2) (i) If the notes are presented to a Treasury Officer to be [illegible], they [illegible] to the Public Debt Office [illegible] [illegible] of the [illegible] of the [illegible] [illegible] that the [illegible] the Treasury [illegible] [illegible] on the back of the notes [illegible] [illegible].

Procedure [illegible] notes [illegible]

(a) In the receipt for renewal the name of the payee of the new note shall be correctly and legibly written.

(b) In the case of notes [illegible] in favour of a Company, [illegible] [illegible] shall be stated.

(ii) A receipt shall be granted by the Treasury Officer in Form [illegible] in respect of the notes tendered for renewal. A register shall also be maintained [illegible] of all notes presented at the treasury.

(iii) Before despatching a note to the Public Debt Office the Treasury Officer must be careful to see that the interest [illegible] the last half yearly date has been drawn [illegible] interest has been [illegible] where the interest has been left in arrears for ten years [illegible] paragraph [illegible].

(iv) A note tendered for renewal must be [illegible] of the [illegible] the back.

[illegible]

[illegible]

If, however, the person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or in a form as near thereto as circumstances will admit:

"Received, in lieu hereof, two (or more) notes for Rs.——— respectively, payable to (*name of holder*), with interest payable at——————Treasury.

Signature of the . holder / duly authorised representative of (name of holder)."

If the person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must be receipted as follows, or in a form as near thereto as circumstances will admit:—

"Received, in lieu hereof, a new note payable to (*name of* holder) for Rs.————by consolidation with promissory note or notes Nos.—————, (*mentioning the numbers and amounts of the other notes desired to be consolidated with it and specifying the loan*) with interest payable at——————Treasury.

Signature of the . holder / duly authorised representative of (name of holder)."

(*v*) It has been pointed out in paragraph 57, that if a note presented for renewal is not properly discharged, Government's liability in respect of it is not removed by the issue of a new note. It is important, therefore, that the Treasury Officer should see that the form of receipt mentioned in clause (*iv*) above is clearly and correctly written, and that there is no ambiguity as to the name of the payee of the new note. The name of the holder, as signed by him or as entered by the duly authorised representative below his own signature, should agree with the

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

renewed at once under a bond of indemnity, which should be for twice the value of the note.

(*b*) If the defect, however, be a serious one which it would be inadvisable to overlook, or if the holder, where the defect is formal, refuses to enter into the bond mentioned in the preceding article, then the Public Debt Office will refuse to renew the note, or pay interest until the defects in title be cured by the holder.

(*c*) In cases where the note belongs to a minor and representation is limited to interest, the Public Debt Office arranges for payment of interest in accordance with paragraph 98.

Dispute as to title.

65. When there is a dispute as to the title to a promissory note in respect of which an application for renewal has been made, the Public Debt Office refers the case to the Controller of the Currency for orders under section 13 of the Indian Securities Act.

NOTE.—The Public Debt Office, Bombay, refers such cases to the Deputy Controller of the Currency, Bombay.

Interest on notes under renewal.

66. When a note is under renewal, the interest on it, pending the issue of a new note, can only be paid by the order of the Public Debt Office.

CHAPTER VII.

[illegible]

67. [illegible]

68. [illegible]

be referred to the Deputy Controller of the Currency for orders.

Bearer Bonds.

69. The bonds will be payable either at the treasury or sub-treasury at which they are registered for payment of coupons or at the Public Debt Office of domicile in whose books they stand. When any such bonds are tendered for payment at the treasury or sub-treasury at which they are registered for payment of coupons, the Treasury or Sub-treasury Officer should make the payment of the principal and also of unpaid coupons, if any, irrespective of the amount of the bond. No receipt need be taken from the presenter, the bonds being payable to the bearer without regard to any endorsement that may appear thereon. The bonds should be stamped "Paid" at the time of payment, the date of payment being noted thereon and should be removed from the register of bearer bonds (Form 5) maintained at the treasury.

Stock Certificates.

70. Each Public Debt Office will issue, along with the last interest warrants due on the loan, an intimation that no further interest warrant will be issued and that the principal will be repaid on surrender of the stock certificate at the treasury or sub-treasury at which the interest warrant is payable. Payment of principal should be made at the treasury or sub-treasury concerned on the surrender of the stock certificate and a receipt should be taken on the certificate itself which should read "Received the principal due on the certificate." The surrender of the stock certificate must be insisted on in every case, and should the owner of the stock have lost his certificate he must obtain a duplicate from the Public Debt Office before discharge of the security. The receipt for the discharge should be signed by the registered holder whose name

Promissory Notes

India (or of one of the Presidency Banks now amalgamated), originally endorsed the scrip. In these cases there will be only one endorsement (in favour of the applicant) on the back of the note signed by any of the officers mentioned above.

Cases in which these conditions are not satisfied should be referred by the Sub-treasury Officer to the Treasury Officer and the latter should deal with them under the following paragraph.

ocedure by easury ficers.

72. Treasury Officers may also make immediate payment of notes tendered by an *individual* up to a limit of Rs. 5,000 when the following conditions are *all* fulfilled :—

(*i*) if the applicant is the person in whose name the note has last been endorsed or the legal representative in interest of such person;

(*ii*) if the chain of endorsements is in order;

(*iii*) if the endorsements are *all* by *names* and not by office;

(*iv*) if the holders have all been single individual persons.

All other cases should be referred to the Deputy Controller of the Currency before payment.

NOTE.—Conditions (*iii*) and (*iv*) above would not be fulfilled in such cases as the following:—

(1) where an endorsement is in favour of a corporate body such as a District Board, or a Port Trust,

(2) where an endorsement is in favour of a firm or society.

73. Before paying the principal of a promissory note, a Treasury Officer should see that the conditions laid down in paragraph 36 (1) to (6) for payment of interest are satisfied, but some relaxation of these conditions is permitted when the value of the promissory notes tendered by an individual does not exceed Rs. 5,000 (*vide* paragraph 75).

74. (a) A [illegible] shall be taken [illegible] the [illegible] [illegible]

(b) [illegible]

[illegible]

75. [illegible]

(a) [illegible] the father [illegible] the father [illegible] [illegible] will be accepted.

(b) [illegible] the latter's estate.

[illegible]

certificates so produced should be retained by the Treasury Officer and filed. In cases where the discharge of the father or mother of a minor or lunatic is accepted without production of a certificate, the fact of such relationship should be certified by the Treasury Officer on the back of the scrip.

NOTE.—In this paragraph District Magistrate has the meaning given in the explanation to Section 13 of the Indian Securities Act (*vide* Appendix I).

Discharge by illiterate persons.

76. In the case of illiterate persons the manner of discharge is provided for in Rule 37 of the Rules under the Securities Act (*vide* Appendix II). In such cases the receipt for discharge should be signed by a Magistrate (the Treasury or Sub-treasury Officer may sign it if he is a Magistrate) on behalf of and in the presence of the holder, and a certificate should be given by the Magistrate below his signature to the effect that the receipt for discharge was signed by him at the request of the holder after having been previously read over to the latter and that he is satisfied that the effect of such discharge is fully understood by the holder.

CHAPTER VIII

with the rules in this chapter unless any of these Courts so direct.

(*c*) Securities held by Municipalities, Port Trusts and other public corporations may at their discretion be deposited with Government and dealt with under the rules in this chapter.

General instructions.

79. It is of great importance that a Government officer should not, in his official capacity, receive or in any way deal with promissory notes if the title of the presenter, depositor, or other person from whom they are received, is not absolutely clear or is in any way defective. He should, therefore, carefully scrutinise the endorsements in the light of the instructions given in Chapter V. If he has reason to think that any of the endorsements (*i.e.*, not only the last endorsement) are irregular, or if, for any other reason, he is not satisfied as to the title of the person presenting a note, he should refuse to accept it and should instruct the presenter to get it renewed by the Public Debt Office.

Notes deposited for more than five years.

80. (*a*) When promissory notes are to be deposited with a Government officer for more than five years and it is the wish of the depositor to draw interest on them during the period of deposit, the latter should be required to draw all interest due upon them at the time and to endorse them as follows:—

If the officer with whom the notes are to be deposited is in the Post Office or the Telegraph Department—" Pay to the Accountant-General, Posts and Telegraphs" or " Deputy Accountant-General, Posts and Telegraphs."

In other cases—

In the Madras Presidency—" Pay to the Deputy Controller of the Currency, Madras."

[illegible]

In the Bombay Presidency "Pay to the Deputy Controller of the Currency, Bombay."
elsewhere "Pay to the Controller of the Currency."

81. When a Government officer [illegible] to be deposited with him [illegible] he will [illegible] mark the [illegible] of the value of the [illegible] remit it to the officer noted below together with a [illegible]:—

(a) If the officer is in the Military Department— Controller of Military Accounts or Deputy Controller of Military Supply Accounts.
(b) If the officer is in the Marine Department—Controller of Marine Accounts, Bombay.
(c) If the officer is in the Post Office or Telegraph Department—Accountant-General, Posts and Telegraphs.
(d) If the officer is stationed in the Bombay Presidency—Deputy Controller of the Currency, Bombay.
(e) If the officer is stationed in the Madras Presidency—Deputy Controller of the Currency, Madras.
(f) If the officer is stationed in the Punjab or United Provinces—Deputy Controller of the Currency, Northern India.
(g) If the officer is stationed in Burma, or the Central Provinces—Deputy Controller of the Currency, Burma, or Accountant-General, Central Provinces.
(h) If the officer is stationed in Bengal, Bihar and [illegible]—Accountant-General, Central Revenues, Controller of the Currency.

Except in cases (*c*), (*d*) and (*e*) the Account Officer or the Deputy Controller of the Currency receiving the securities will forward them to the Controller of the Currency.

Payment of interest, return, or sale.

82. (*a*) Notes forwarded to the Controller of the Currency, etc., in accordance with paragraph 81 will be converted into stock of the loans to which they severally appertain. The interest falling due upon the stock will be remitted without deduction of income-tax periodically to the Account Officer or Deputy Controller of the Currency concerned by whom it will be distributed (after deducting the proper income-tax and commission) by payment orders among the depositors.

(*b*) The currency of these orders of payment is limited to six months. If any are presented for payment after that period, the presenter should be referred to the officer who issued the order.

(*c*) On application to the Controller of the Currency or the Account Officer or Deputy Controller of the Currency concerned by the officer who forwarded them, notes so deposited will be returned or sold. The above officers, save where they have received orders from the Local Government that the securities pertaining to any endowment are not to be sold or given up without the orders of Government, act purely as the agents of the officers from whom they received the notes; and the latter are responsible for the sale, realisation or return of notes in accordance with the conditions of the endorsement.

1. It should be observed that when a note is delivered up under this rule, it will not be the identical note which was sent for custody, but only another note of the same loan or of the loan to which the original note was transferred.

2. An officer applying for delivery of a note should always specify at what treasury he wishes it to be enfaced for payment of interest.

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the case may be, and the Presidency towns of Madras and Bombay where they will be lodged with the Deputy Controller of the Currency, Madras, or the Deputy Controller of the Currency, Bombay. The depositor may draw interest on these notes by tendering receipts in the usual form countersigned by the officer with whom he deposited them.

(*b*) If promissory notes so deposited are forfeited for failure of contract, they should be forwarded to the Controller of the Currency who will arrange for their renewal in his name. After renewal they will be sold and the proceeds credited to the department concerned.

85. (*a*) Notes received in a treasury for safe custody under the preceding article must at once be entered in a register in Form 19, but no record need be made in it of any interest payments.

(*b*) A receipt should be given for all notes so deposited in the same form as the register, the column giving particulars of the return being omitted. The receipt should be reclaimed when the notes are returned.

(*c*) The return of a note should be noted at once in the register in the column provided for the purpose.

Sale or purchase.

86. (*a*) If it is desired to sell a promissory note held in custody under paragraph 82, application should be made to Controller of the Currency or the Account Officer or Deputy Controller of the Currency, as the case may be, who will arrange for the sale and will remit the proceeds.

(*b*) When an officer wishes to purchase a note out of any funds which he holds in trust, he should obtain in favour of the Controller of the Currency, the Deputy Controller of the Currency, Madras, or the Deputy Controller of the Currency, Bombay, as the case may be, a Remittance Transfer Receipt or an Imperial Bank of India draft, for the amount of the market value *plus* 5 per cent. to cover any payment that may be necessary for interest due on the

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(1) If the note is to be retained for safe custody, the Remittance Transfer Receipt or draft and the application [illegible] will be forwarded to the Controller of the Currency, [illegible] Office or Deputy Controller of the Currency [illegible] [illegible] of.

(2) If the note is to be returned, the Remittance Transfer Receipt or draft [illegible] be sent direct to the Controller of the Currency or Deputy Controller of the Currency, Madras or Deputy Controller of the Currency, Bombay as the case may be [illegible] together with [illegible] order for the balance to be [illegible].

Note 1.—[illegible]

Note 2.—[illegible]

87. [illegible]

deducted from the payments next due to the body or person interested, and credited as Miscellaneous Revenue.

1. The fee of one rupee, levied by the Public Debt Office, for issue of a new note, is also charged against the officer on whose part it is required.

2. Security deposits of Government servants are exempted from this commission.

3. Security deposits of Banks holding regimental funds under Financial Department Resolution No. 3956-A., dated 22nd July 1902, are exempted from commission for drawing interest.

4. This commission is also not charged on investments made through the Post Office Savings Bank referred to in paragraph 86 (b), Note 2, and also in the case of investments on behalf of the Treasurers of Charitable Endowments.

Publication of Accounts.

88. The Controller of the Currency or every Account Officer or Deputy Controller of the Currency who receives notes under paragraph 81 is required to publish at the end of each calender year a list of the notes in his custody. Every Government officer with whom a note has been deposited *ex-officio* should watch for this publication, and bring to notice any omission or error in which he is concerned. The lists will be made up in Form 20 and published as soon after January 1st of each year as they can be made up.

Municipal Debentures and Port Trust Bonds.

89. Municipal debentures and Port Trust bonds deposited with a Government officer *ex-officio*, will be forwarded to the Controller of the Currency or the Account Officer or Deputy Controller of the Currency mentioned in paragraph 81. These debentures and bonds will remain in the custody of the local officer if the interest is payable at the local Public Debt Office or branch of the Imperial Bank of India; otherwise they will be sent by him to the Controller of the Currency, the Deputy Controller of the Currency, Madras, or Deputy Controller of the Currency, Bombay, as the case may be.

Investments by public officers.

90. The following are the rules regarding investments in securities for funds held in trust by public officers for

facts of the case should be reported to the Local Government, and the Local Government will then, by special orders, make such arrangements as may be necessary to protect the interests of Government and to secure the safety of the trust funds or securities.

Notes deposited by the public for safe custody with Treasury Officers.

91. (*a*) Holders of promissory notes may, if they so desire, deposit them at a treasury for safe custody. Such notes should be enfaced for payment of interest at that treasury and should be endorsed by the holder in favour of the Treasury Officer. All arrear interest due on the notes should be drawn before the notes are tendered at the treasury.

NOTE.—This facility will not be allowed at the Presidency towns or in districts where the Government treasury business is managed by a branch of the Imperial Bank of India.

(*b*) Application for such deposits should be made by the holder in the prescribed form (Form 21) which should be kept in stock at all district treasuries and sub-treasuries and should be distributed freely to applicants.

(*c*) On receipt at the treasury the application should be carefully checked in respect of the details entered therein with the promissory notes tendered for safe custody. The notes should be examined to ascertain that they stand in the name of the applicant, that they have been duly endorsed by him in favour of the Treasury Officer and that there are no defects in the previous endorsements of the nature described in Chapter V. If the application is found to be in order and the notes are free from any defects, the former should be registered and the latter accepted for deposit, an acknowledgment in the prescribed form (Form 22) being handed to the applicant. If the notes are in any way defective and the applicant's title is not free from doubt, they should be returned to the applicant who should be asked to remove the irregularity noticed

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will be borne by Government. When, however, delivery is taken direct at the treasury, an acknowledgment of the return of the notes should be given on the back of the original treasury receipt in the following form:—

"Received back the securities specified on the reverse."

NOTE 2.—When the interest cages on such notes are exhausted the Treasury Officer will forward them to the Public Debt Office for renewal, the renewal endorsement being made by him.

Realisation of interest on notes deposited for safe custody.

93. (*a*) Interest on promissory notes held in safe custody should be realised as it falls due. The monthly abstract referred to in paragraph 91 (*e*) above will show the total value of notes held at the treasury on account of each depositor in the various loans.

(*b*) The receipt for interest may be prepared in a consolidated form showing in detail the numbers and values of the notes. The interest may first be drawn in gross, the amount of income-tax to be deducted from interest when paid to the depositors being subsequently credited to Government and adjusted through the personal ledger account referred to in paragraph 94 below.

(*c*) The gross amount of interest due on each loan should be distributed in an interest distribution register in Form 26 and the net amount payable to each depositor should be worked out therein.

NOTE.—If exemptions or abatements of income-tax are claimed, depositors should periodically furnish the Treasury Officers with the Collector's certificate of exemption or abatement. The rate at which the income-tax is to be deducted should be noted on the particular page of the ledger with reference to the Collector's certificate.

(*d*) The net amount of interest should be paid to the depositor according to the distribution register. Interest may at the option of the depositor be paid direct at the district treasury, or at a sub-treasury or may be remitted to him by money order. When payment is made direct at the treasury, a receipt should be taken from the depositor

CHAPTER IX.

MISCELLANEOUS.

Sale or transfer of stock.

95. (*a*) All sales or transfers of stock must be made in even hundreds of rupees and by transfer to be executed by the registered holder, or his duly constituted attorney, and registered in the books of the Public Debt Office concerned. Such transfers are exempt from stamp-duty. A blank form of deed of transfer is printed on the back of each stock certificate issued and forms can also be obtained at any Public Debt Office. Forms of special powers-of-attorney for effecting sales can be obtained free of charge from the Local Head Offices of the Imperial Bank of India, Calcutta, Bombay or Madras, directly or through any Treasury Officer.

(*b*) When it is desired to execute a transfer, the original certificate must be lodged at the Public Debt Office on whose books the stock is registered. When this has been done and when the transfer has been duly registered, the transferee will receive a new certificate. The Public Debt Office may, in cases in which this is considered necessary, require the verification of the transferor's signature before a Treasury Officer or other responsible officer of Government qualified to take and record evidence.

(*c*) In cases where only a portion of the stock is transferred, the purchaser will receive a certificate for an amount corresponding to the portion transferred, and a new certificate for the balance will be issued to the transferor.

(*d*) On application to the Public Debt Office, arrangements will be made to register the holder or transferee of any stock as a trustee or by the name of his office. In the

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certificates and promissory notes, the new securities will be only for Rs. 100 or multiples of a hundred, and in the case of bearer bonds will be for the denominations in which these bonds are issued, namely, Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs. 25,000. In every case the Treasury Officer should grant a receipt for the securities in Form 17 and should watch the disposal of the securities so presented by entering them in the register in Form 2. Stock certificates presented for consolidation or sub-division should be endorsed by the holder in Form II or III (in Appendix II), as the case may be. Promissory notes should be endorsed in Form VIII or IX (in Appendix II) as the case may be. No endorsement is required on bearer bonds. The fee charged will be the same as for renewals.

Non-transferable deposit receipts.

98. When a promissory note is the property of a minor the powers of whose guardian are limited to the drawal of interest or belongs to an estate in which administration is limited to interest, the Public Debt Office, upon such note being deposited with it, may arrange for the payment of interest at any treasury or sub-treasury by warrants issued as interest falls due payable to the guardian or administrator. The Public Debt Office will give a non-transferable deposit receipt for the promissory note. On the minor attaining majority or the guardian or administrator being given full powers to deal with the note, the Public Debt Office will issue a promissory note on production of this receipt.

Issue of duplicates to replace securities that have been lost or destroyed.

99. In the case of stock certificates, as already explained, a fresh certificate is issued by the Public Debt Office on being satisfied that the old certificate has actually been lost or destroyed. In the case of bearer bonds (with or

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APPENDIX I

Government security belonging to the estate of the person whom he represents.

IX of 1872.

Right of survivors of joint or several payees of Government securities.

4. (1) Notwithstanding anything in section 45 of the Indian Contract Act, 1872,—

(a) when a Government security is payable to two or more persons jointly, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, and

(b) when a Government security is payable to two or more persons severally, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, or to the representative of the deceased, or to any of them.

(2) This section shall apply whether such death occurred or occurs before or after this Act comes into force.

(3) Nothing herein contained shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any security to which sub-section (1) applies.

XXVI of 1881.

Indorsements to be made on security itself.

5. Notwithstanding anything in section 15 of the Negotiable Instruments Act, 1881, no indorsement of a Government promissory note shall be valid unless made by the signature of the holder inscribed on the back of the security itself.

Holding of Government securities by holders of public offices.

6. (1) In the case of any public office to which the Governor General in Council may, by notification in the Gazette of India, declare this sub-section to apply, a Government security may be made or indorsed payable to or to the order of the holder of the office by the name of the office.

(2) When a Government security is made or indorsed as aforesaid, it shall be deemed to be transferred without any or further indorsement from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office.

(3) When the holder of the office indorses to a third party a Government security made or indorsed as aforesaid, he shall

be payable, he may, on application to the prescribed officer, and on producing proof to his satisfaction of the loss or destruction and of the justice of the claim and on payment of the prescribed fee, if any, obtain from him an order for—

(a) the payment of interest in respect of the security said to be lost or destroyed pending the issue of a duplicate security; and

(b) the issue of a duplicate security payable to the applicant.

(2) An order shall not be passed under sub-section (1) until after the issue of the prescribed notification of the loss or destruction.

(3) A list of the securities in respect of which an order is passed under sub-section (1) shall be published in the prescribed manner.

Renewal of bearer bonds.

11. The holder of a bearer bond or other Government security payable to bearer, may, on application to the prescribed officer, on delivery of the bearer bond or other security, and on payment of the prescribed fee, if any, obtain from such officer a renewed bearer bond or other security, as the case may be.

Renewal of promissory notes.

12. Subject to the provisions of section 13, a person claiming to be entitled to a Government promissory note, may, on applying to the prescribed officer, and on satisfying him of the justice of his claim and delivering the promissory note receipted in the prescribed manner, and paying the prescribed fee, if any, obtain from such officer a renewed promissory note payable to him:

Provided that, when application is made for the renewal of a Government promissory note which appears to the prescribed officer to stand in the name of a deceased member of a Hindu undivided family governed by the *Mitakshara* law, a renewed promissory note shall not be issued to the applicant unless he furnishes a certificate signed by such authority and after such inquiry as may be prescribed to the effect that the deceased belonged to a Hindu undivided family governed by the *Mitakshara* law, that the promissory note formed part of the joint property of the family, and that the applicant is the managing or sole surviving male member of the family.

Explanation.—For the purposes of this sub-section, the District Magistrate means the District Magistrate having jurisdiction in the place where interest on the promissory note is payable and, where interest is payable at a presidency town, the Chief Presidency Magistrate, or at a place in a State in India, the Political Agent.

(3) The prescribed officer or any Magistrate acting under this section may, if he think fit, record evidence on oath.

Renewal of other securities.

14. Government securities other than those mentioned in sections 11 and 12 may be renewed in such circumstances and in such manner as may be prescribed.

Issue of converted, etc., securities.

15. (1) The prescribed officer may, subject to such conditions as may be prescribed, on the application of a person claiming to be entitled to a Government security or securities, on being satisfied of the justice of the claim and on delivery of the security or securities receipted in the prescribed manner and on payment of the prescribed fee, if any, convert, consolidate or sub-divide the security or securities, and issue to the applicant a new security or securities accordingly.

(2) The conversion, consolidation, or sub-division referred to in sub-section (1) may be into a security or securities of the same or different classes or of the same or different loans.

Liability in respect of promissory note renewed, etc.

16. (1) When a renewed Government promissory note has been issued under section 12, or a new Government promissory note has been issued upon conversion, consolidation or sub-division under section 15, in favour of any person, the note so issued shall be deemed to constitute a new contract between the Government and such person and all persons deriving title thereafter through him.

(2) No such renewal, conversion, consolidation or sub-division shall affect the rights as against the Government of any other person to the security or securities so renewed, converted, consolidated or sub-divided.

Discharge.

Immediate discharge in certain cases.

17. On payment by or on behalf of the Government to the holder of a bearer bond or other Government security payable to bearer of the amount expressed

Summary procedure in certain cases.

Procedure on death of holder of securities not exceeding an aggregate value of five thousand rupees.

19. (1) If within six months of the death of a person who was entitled to a Government security or securities (other than a security payable to bearer) the nominal or face value of which does not in the aggregate exceed five thousand rupees, probate of the will or letters of administration of the estate of such person or a certificate granted under the Succession Certificate Act, 1889, is not produced to the prescribed officer, such officer may, after inquiry in the manner provided in sub-sections (2) and (3) of section 13, determine who is the person entitled to the security or securities or to administer the estate of the deceased, and may—

VII of 1889.

(*a*) in the case of any such security relating to a loan due for repayment, authorise payment of the amount due thereon to such person; and

(*b*) in the case of any such security relating to a loan not due for repayment, authorise, in the case of a promissory note, the renewal of such promissory note in favour of such person, or, in the case of stock, the registration of the name of such person in substitution for the name of the deceased.

(2) Upon the payment or renewal of any promissory note in accordance with sub-section (1), the Government shall be discharged from all liability in respect of the note so paid or renewed; and any substitution of names made in accordance with clause (*b*) of sub-section (1) shall, for the purposes of any claim against the Government, be deemed to have effected a valid transfer of the stock in respect of which it was made.

(3) Any creditor or claimant against the estate of the deceased may recover his debt or claim out of money paid to any person under sub-section (1) and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased, and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased.

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Penalty.

Penalty.

23. (1) If any person, for the purpose of obtaining for himself or for any other person payment of interest or of the capital sum due in respect of any Government security, or the issue of a duplicate security, or the renewal, conversion, consolidation or subdivision of a Government security or securities, makes to any authority under this Act a statement which is false and which he either knows to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

(2) No Court shall take cognizance of any offence under subsection (*1*) save on the complaint of the authority to whom the false statement was made.

Rules.

Power to make rules.

24. (1) The Governor General in Council may after previous publication make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the manner in which payment of interest in respect of Government securities is to be made and acknowledged;

(*b*) the circumstances in which Government securities must be renewed before further payment of interest thereon can be claimed;

(*c*) the form in which and the conditions subject to which Government securities may be issued to the rulers of States in India;

(*d*) the fees to be paid in respect of the issue of duplicate securities and of the renewal, conversion, consolidation and sub-division of Government securities;

(*e*) the proof which is to be produced by persons applying for duplicate securities;

(*f*) the form and manner of publication of the notification mentioned in sub-section (2) of section 10 and the manner of publication of the list mentioned in subsection (3) of that section;

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(*r*) generally, all matters connected with the grant of duplicate, renewed, converted, consolidated and sub-divided securities; and

(*s*) the circumstances and the manner in which and the conditions subject to which inspection of securities, books, registers and other documents may be allowed or information thereform may be given under section 22.

(3) Nothing in any rules made under clauses (*o*) and (*p*) shall, as between any trustees or as between any trustees and the beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust; and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stockholder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stockholder or of any fiduciary obligation attaching to the holding of any Government stock.

(4) Rules made under this section shall be published in the Gazette of India, and shall thereupon have effect as if enacted in this Act.

Repeals.

XIII of 1886. Repeals. X of 1914. XIII of 1886.

25. On and from the date on which this Act comes into force, the Indian Securities Act, 1886, and so much of the First and Second Schedules of the Repealing and Amending Act, 1914, as relates to the Indian Securities Act, 1886, shall be repealed.

as including the banks constituted by the Presidency Banks Act, 1876.

Rules relating to Stock.

Payment of interest.

3. Interest on stock shall be paid on warrants issued by the Public Debt Office and payable at Calcutta, Bombay or Madras, as the case may be. Such warrants may, at the request of the holder of the certificate, to be preferred in writing to the Public Debt Office, be made payable at any British treasury or sub-treasury or, in a State in India, at the Head Post Office, if there is no British treasury, or, if there is no Head Post Office, at any Post Office designated by the Governor General in Council by order in writing in this behalf. The presentation of the stock certificate shall not be required at the time of payment of interest, but the payee shall acknowledge receipt on the back of the warrant.

Issue of duplicate certificate in case of loss or destruction of original.

4. A duplicate stock certificate may be issued by the Public Debt Office on its being satisfied that the original certificate has been actually lost or destroyed.

Procedure for conversion, etc.

5. Subject to any general or special instructions of the Controller of the Currency, the Public Debt Office, may, on the application of the holder of the relevant stock certificate or stock certificates, and on his receipting the same in Form I, II or III, as the case may be, issue converted, consolidated or sub-divided securities in place thereof.

Recognition of trusts, etc.

6. (1) On a proper demand made by a person in whose name any stock is registered, or by a person into whose name any stock is to be transferred, or by a person who desires to be entered as the proprietor of stock in exchange for promissory notes or bearer bonds held by him, that he may be described in the books of the Public Debt Office with respect to that stock as a trustee, whether as a trustee of the trust specified in the demand or as a trustee without any such qualification, the Controller of the Currency shall authorise the Pulic Debt Office to make such entries in its books and in any stock certificate issued in connection therewith as he considers reasonably necessary for the purpose of complying with the demand.

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the office described in the account as if his personal name were so stated.

(4) Before acting on any demand purporting to be made, or on any document purporting to be executed, in pursuance of this rule by a person as being the holder of any office, the Controller of the Currency may require the production of evidence that such person is the holder for the time being of that office.

Receipt required on discharge of a stock certificate.

8. When a stock certificate is presented for discharge, a receipt shall be taken on the certificate itself or a separate receipt shall be given by the party presenting it.

(a) *Rules relating to promissory notes other than Treasury Bills.*

Payment of interest.

9. Interest on a Government promissory note shall be paid at the Public Debt Office or at any treasury or sub-treasury for payment of interest at which the note has been enfaced, but only on the presentation of the note itself and on signature by the payee of a receipt in Form IV.

When receipt for renewal may be required.

10. The holder of any such note may be required to receipt the same for renewal in any of the following cases, and, where such requisition has been made, payment of any further interest on such note may be refused until the note is receipted for renewal and actually renewed, namely:—

(a) if only sufficient room remains on the back of the note for one further indorsement or if any word is written upon the note across any existing indorsement or indorsements;

(b) if the note is torn or in any way damaged or crowded with writing or unfit, in the opinion of the officer before whom it is produced for payment of interest or for receiving indorsement;

(c) if any indorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or in the case of office-holders, by office, or is made otherwise than in one of the indorsement cages on the back of the note;

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Alteration of order, etc.

14. A provisional order passed under sub-rule (2) of rule 13 shall on the expiry of the six years referred to therein, become final;

Provided that the Controller of the Currency may, at any time prior to the issue of a duplicate note, if he finds sufficient reason, alter or cancel any such order, and may also direct that the interval before the issue of a duplicate note shall be extended by such period, not exceeding six years, as he may think fit.

Indemnity bonds.

15. Indemnity bonds shall,

(*a*) when taken on the issue of a duplicate note or notes, ordinarily be taken as nearly as may be in Form V and be for twice the amount of such note or notes, and

(*b*) when taken on the issue of orders for payment of interest, ordinarily be taken as nearly as may be in Form VI and be for twice the amount of the interest involved, that is to say, twice the aggregate amount of all back interest accrued due on the note *plus* twice the amount of all interest to accrue due thereon during the period which will have to elapse before the issue of a duplicate note can be made.

(*b*) *Rules relating to Treasury Bills.*

Report of the loss or destruction of treasury bill.

15A. (1) Every application regarding a treasury bill alleged to have been lost or destroyed, either wholly or in part, shall be addressed to the Controller of the Currency, Calcutta, (in the case of treasury bills originally issued by the Local Head Office of the Imperial Bank of India, Calcutta, or the Local Head Office of the Imperial Bank of India, Madras), or the Deputy Controller of the Currency, Bombay (in the case of treasury bills originally issued by the Local Head Office of the Imperial Bank of India, Bombay). Such application shall be accompanied by a registration fee of Re. 1 per treasury bill and a statement of the following particulars, namely:—

(*i*) particulars of the number and value of the treasury bill and the Local Head Office of the Imperial Bank of India by which it was issued;

(*ii*) the circumstances attending the loss or destruction; and

(*iii*) whether the loss was reported to the police.

the Controller of the Currency or the Deputy Controller of the Currency, as the case may be, may direct. If for any reason the Controller of the Currency or the Deputy Controller of the Currency holds that immediate payment of the value of the treasury bill would involve risk of loss to Government, he may withhold payment thereof, and in that case shall, within six weeks of the date of his decision to withhold payment or of the date of maturity of the treasury bill alleged to have been lost or destroyed whichever date is later, invest the amount of the treasury bill in Government securities or in the Post Office Savings Bank at the option of the claimant and shall thereafter on the expiry of two years from the date of the last notification prescribed in rule 15B, if *primâ facie* grounds exist for believing that the treasury bill has been lost or destroyed and that the claim of the applicant is just, cause the particulars of the treasury bill so lost or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act. On the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed treasury bill was first included, the said investment with accumulated interest (or the said deposit, if any investment in the Post Office Savings Bank has been made) shall be delivered to the claimant or his assignee or other legal representative.

(c) *General.*

Publication of list.

16. (1) The list referred to in rules 13 and 15C shall be published half-yearly in the *Gazette of India* in the months of January and July, or as soon afterwards as may be convenient.

(2) All notes in respect of which an order has been passed under rule 13 shall be included in the first list published next after the passing of such order and every treasury bill to be included in the list shall be included in the first list published after the expiry of the two years referred to in rule 15C, and thereafter such notes and treasury bills shall be included in every succeeding list until the expiration of six years from the date of first publication.

(3) The list shall contain the following particulars regarding each note (other than a treasury bill) included therein, namely, the name of the loan, the number of the note, its value, the name of the person to whom it was issued, the date from which it bears interest, the name of the applicant for a duplicate, the number and date of the order passed by the Controller of the Currency for payment of

Rules relating to Bearer Bonds.

Payment of interest.

21. Interest on a bearer bond shall be paid to any person who presents the coupon entitling him to such interest at the Public Debt Office or the treasury at which the bond is registered for payment of interest.

Report to the Public Debt Office of loss or destruction of bearer bond.

22. (1) Every application for the issue of a duplicate bond in place of a bearer bond which is, or the coupons of which are, alleged to have been lost or destroyed, or which is alleged to have been lost or destroyed together with its coupons, shall be addressed to the Public Debt Office, and shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely:—

(1) particulars of the number and value of the bearer bond and the loan to which it belongs;

(2) particulars of coupons alleged to have been lost or in the possession of the claimant, as the case may be;

(3) the name of the Public Debt Office or treasury at which the bond has been registered for payment of interest;

(4) the circumstances attending the loss or destruction; and

(5) whether the loss was reported to the police.

(2) Such letter shall be accompanied by—

(*a*) the Post Office registration receipt for the letter containing the bearer bond or coupons, or both, if lost in transmission by registered post;

(*b*) a copy of the police report, if the loss was reported to the police;

(*c*) a letter signed by the officer of the treasury or branch of the Imperial Bank of India, where interest was last paid, certifying the last payment of a coupon with regard to the bond;

(*d*) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bearer bond; and

(*e*) any portions or fragments which may remain of the lost or destroyed bearer bond or coupons, or both.

23 if *primâ facie* grounds exist for believing that the bond and coupons have been lost or destroyed, and that the claim of the applicant is just, cause the particulars of the bond and coupons so lost or destroyed to be included in a list such as is referred to in sub-section (*3*) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed bond or coupons are first included and on the execution of an indemnity bond taken as nearly as may be in Form V for twice the value of the bond and twice the value of the coupons due for payment, and unless reasons to the contrary appear (in which case the matter shall be referred back to the Controller of the Currency)—

(*a*) to issue to the applicant a duplicate bond with coupons, and

(*b*) to pay the amount of any coupon which may be due:

Provided that, if the date on which the bearer bond is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Controller of the Currency shall, within six weeks of the former date, invest the amount of the bond in the Post Office Savings Bank, and shall repay this amount, together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate bond would otherwise have been issued.

Issue of duplicate on indemnity when coupons only lost or destroyed.

26. Where the coupons only of a bearer bond are reported to be lost or destroyed, the Controller of the Currency shall, on the expiry of two years from the date of the last notification prescribed in rule 23, if *primâ facie* grounds exist for believing that the coupons have been lost or destroyed, and that the claim of the applicant is just, cause the particulars of the coupons so lost or destroyed to be included in a list such as is referred to in sub-section (*3*) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed coupons are first included and on the execution of an indemnity bond taken as nearly as may be in Form V for twice the value of the coupons due for payment and

Receipt not required on discharge, etc., of a bearer bond.

31. When a bearer bond is presented for discharge, renewal, conversion or consolidation, no receipt shall be required.

General.

Powers of the Deputy Controller of Currency, Bombay.

32. Subject to any general or special instructions of the Controller of the Currency, the powers conferred under these rules on the Controller of the Currency may be exercised by the Deputy Controller of the Currency, Bombay, in respect of Government securities interest on which is payable within the Bombay Presidency or the Central Provinces.

Fees.

33. The following fees shall be paid in respect of applications under sections 10, 12 and 15 of the Act, namely:—

For each renewed, converted, consolidated, sub-divided or duplicate security, 4 annas per cent. if the new security does not exceed in amount Rs. 400, and Re. 1 if the new security exceeds that sum:

Provided that no fee shall be payable—

(*a*) in respect of the renewal of a bearer bond, and

(*b*) in respect of the renewal of a note which bears no indorsement other than an indorsement by the Imperial Bank of India, the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, and the renewal indorsement, or when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest.

Indemnity bonds.

34. An indemnity bond taken on the issue of a renewed, converted, consolidated or sub-divided security shall be, as nearly as may be, in Form XI and shall be for twice the amount of the security or securities, as the case may be, with two sureties.

Special procedure in certain cases.

Government securities held by minor or lunatic.

35. (1) When a Government security stands in the name of or is held by a minor or a lunatic who is incapable of managing his affairs, interest or the capital sum payable

and that the effect of the document or indorsement is fully understood by him, and that he is the person whom he represents himself to be, such Magistrate may, at the request of that person and subject to the provisions of this rule, execute the document or sign the indorsement on his behalf.

(2) Where any such document is to be executed or indorsement signed by a Magistrate under this rule on behalf of any person, the Magistrate shall execute the document or sign the indorsement in the presence of that person, and shall enter below his own signature a certificate to the effect that the document was executed, or the indorsement signed, as the case may be, at the request of that person after having been previously read over to the latter, and that he is satisfied that the effect of the document or indorsement is fully understood by such person.

Special securities issued to Ruling Princes.

38. (1) Government securities may be issued to the ruler of a State in India, at his request in Form XII, provided that—

(*a*) the ruler has been admitted to this privilege by order of the Governor General in Council, and

(*b*) the total amount for which the ruler applies is not less than Rs. 50,000.

(2) Notes issued in accordance with sub-rule (1) shall be in the name of the ruler and his successors and property in them, save as otherwise provided, shall devolve by succession.

(3) Any such note may be negotiated by indorsement by the ruler of the State for the time being.

(4) The transferee of any such note shall not be capable of negotiating or drawing interest on the same when so transferred, but shall be entitled on surrender to the Public Debt Office of the note or notes so transferred to obtain therefrom Government securities of a like denomination and amount.

Application for information.

39. (1) Any person requiring information regarding a Government security in the custody of the Public Debt Office may apply to that office in writing, stating the form in which the information is required.

(2) Every such application shall specify with precision the security to which it relates and shall contain a statement of the

[illegible]

(2) A fee of Re. 1 shall be paid for each certified copy granted under rule 40.

THE SCHEDULE.

[*See rule 2 (d).*]

FORM I.

(*See rule 5.*)

Form of Indorsement for Conversion of Stock Certificates into $\frac{\text{Bearer Bonds}}{\text{Promissory Notes}}$.

Received in lieu of this stock certificate $\frac{\text{bearer bonds}}{\text{promissory notes}}$ of Rs. each (*together with a new stock certificate for the balance amounting to Rs.*) with interest payable at Treasury.

registered holder.

Signature of the ——————

his duly authorised representative.

FORM II.

(*See rule 5.*)

Form of Indorsement for Consolidation of Stock Certificates.

Received in lieu of stock certificates Nos. for Rs. respectively of the per cent. loan of a stock certificate for Rs. of the per cent. loan of with interest payable at Treasury.

registered holder.

Signature of the ——————

his duly authorised representative.

[illegible]

[illegible]

[illegible]

Form of Indorsement for Subdivision of a Stock Certificate

[illegible]

[illegible]

[illegible]

[illegible]

FORM IV.

(*See rule 9.*)

Receipt for interest on Government Promissory Notes.

Per cent. loan of————

Received from the Government Treasury at————interest due on Promissory Notes as follows:—

No. of note. *N.B.*—If the number is in a fractional form, the upper No. only need be quoted.	Amount of each Note.	Amount of half-yearly interest.			For how many half-years interest is due.	Total amount due.			Date up to which interest is due.	Name of holder of notes.
	Rs.	Rs.	A.	P.		Rs.	A.	P.		
					TOTAL .					
					Deduct—Income-tax at pies .					
					Net amount payable .					

Total received (in words)————

Signature————

(State whether holder or holder's attorney or administrator)————

(Principal.) Whereas the above bounden
ha caused to be represented to the said Secretary of State in Council that was lately and until the loss thereof hereinafter mentioned the legal and rightful holder and still is the owner of and absolutely entitled to certain promissory note / bearer bond of the Government of India the number amount and other particulars of which are set forth in the schedule hereto and that the said Government promissory note / bearer bond sometime since

And whereas the said
having applied to the Controller of the Currency for New note / bearer bond in lieu of the said note / bearer bond so alleged to have been as aforesaid the said Controller of the Currency for and on behalf of the said Secretary of State in Council

(Principal.) has on the aforesaid representation of the said acceded to the said application on condition of the said

(Sureties.) and two sufficient sureties executing such bond as above written and the said have accordingly as such sureties agreed to execute the said bond with such condition as hereunder is written now the condition of the above written bond is such that if the above bounden

(Principal and 2 Sureties.)

their heirs executors administrators representatives and assigns do and shall from time to time if and when the said note / bearer bond so alleged to have been as aforesaid shall happen to be found or come to his or their or any or either of their possession or power or to the possession or power of any other person in trust for him or them or any of them immediately deliver or cause to be delivered the same to the said Controller of the Currency for the time being or the person for the time being exercising his functions on behalf of the said Secretary of State in Council to be cancelled destroyed or otherwise dealt with as may seem meet and further in case the original of the said promissory note / bearer bond shall have already come or shall hereafter come to the hands of any person or body corporate whomsoever under such circumstances as may entitle the holder thereof to demand payment of the same or the interest thereof from the

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(Principal.) Whereas the above bounden
ha caused to be represented to the said Secretary of State in Council that was lately and until the loss thereof hereinafter mentioned the legal and rightful holder and still is the owner of and absolutely entitled to certain promissory note / bearer bond of the Government of India the number amount and other particulars of which are set forth in the schedule hereto and that the said Government promissory note / bearer bond
sometime since

And whereas the said
having applied to the Controller of the Currency for New note / bearer bond in lieu of the said note / bearer bond so alleged to have been as aforesaid the said Controller of the Currency for and on behalf of the said Secretary of State in Council
(Principal.) has on the aforesaid representation of the said
acceded to the said application on condition of the said
(Sureties.) and two sufficient sureties executing such bond as above written and the said have accordingly as such sureties agreed to execute the said bond with such condition as hereunder is written now the condition of the above written bond is such that if the above bounden

(Principal and 2 Sureties.)

their heirs executors administrators representatives and assigns do and shall from time to time if and when the said note / bearer bond so alleged to have been as aforesaid shall happen to be found or come to his or their or any or either of their possession or power or to the possession or power of any other person in trust for him or them or any of them immediately deliver or cause to be delivered the same to the said Controller of the Currency for the time being or the person for the time being exercising his functions on behalf of the said Secretary of State in Council to be cancelled destroyed or otherwise dealt with as may seem meet and further in case the original of the said promissory note / bearer bond shall have already come or shall hereafter come to the hands of any person or body corporate whomsoever under such circumstances as may entitle the holder thereof to demand payment of the same or the interest thereof from the

APPENDIX

[illegible] Secretary of State [illegible]

[illegible]

[illegible]

[illegible] Secretary of State [illegible]

[illegible]

[illegible]

by reason or in respect of or consequent upon the issuing of a new $\frac{\text{note}}{\text{bearer bond}}$ as aforesaid or of any $\frac{\text{note}}{\text{bearer bond}}$ or $\frac{\text{notes}}{\text{bearer bonds}}$ which may hereafter by substitution sub-division renewal or otherwise represent the said $\frac{\text{promissory note}}{}$ or the new $\frac{\text{note}}{\text{bearer bond}}$ so issued as aforesaid then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

(Principal.) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

(First surety.) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

(Second surety.) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

Principal identified by me

Occupation and address.

First surety identified by me

Occupation and address.

Second surety identified by me

Occupation and address.

[illegible]

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND

FORM VI.

(See rule 12.)

Know all men by these presents that we [illegible]

[illegible]

[illegible]

be removed into tried and determined by the said High Court in its Extraordinary Original Civil Jurisdiction.

(Principal.) Whereas the above bounden ha caused to be represented to the said Secretary of State in Council that was lately and until the loss thereof hereinafter mentioned the legal and rightful holder and still is the owner of and absolutely entitled to certain promissory note of the Government of India the number amount and other particulars of which are set forth in the schedule hereto and that the said Government promissory note some time since

(Principal.) And whereas the said ha applied to the Controller of the Currency to the Government of India to continue to pay interest to upon the said note so alleged to have been as aforesaid from the date on which interest appears from the Books of the Public Debt Office to have been last paid thereon up to the end of the half-year preceding the date fixed for the issue to the said (Principal.) of a duplicate of such note and the said Controller of the Currency for and on behalf of the said Secretary of State in Council has on the aforesaid representation of the said (Principal). acceded to the said application for payment of interest as aforesaid on condition of the said (Principal.) and two sufficient sureties executing such bond as above written and the said have accordingly as such sureties (Sureties.) agreed to execute the said bond with such condition as hereunder is written And whereas on the further application of the said (Principal.) the said Controller of the Currency has ordered that the said note so alleged to have been as aforesaid shall be included in the next half-yearly list published pursuant to Rule 16 made by the Government of India under Section 24 of the Indian Securities Act 1920 of securities lost or destroyed in respect of which an order has been made for payment of interest pending the issue of such duplicate security as next hereinafter mentioned and that six years after the publication of the list in which the said note is first mentioned if no reason to the contrary appear a duplicate of the said note shall be issued to the said (Principal.)

APPENDICES

Now the conditions of the [illegible] are such that if the [illegible]

[illegible]

[illegible]

their heirs executors administrators or representatives and any person [illegible]
or body politic or corporate [illegible] the said [illegible]
is alleged to have been [illegible] as aforesaid shall happen to be
[illegible] the person or any one other of the persons [illegible] or power
[illegible] the person [illegible] power of any other person [illegible]
[illegible]
[illegible] of the Treasury [illegible]
[illegible]
said Secretary of State in Council in order that a record [illegible]
of all payments of interest which may have been made as aforesaid
may be duly informed thereof. And further in case the company
of the said [illegible] shall have already [illegible] shall hereafter [illegible]
[illegible] any person or body corporate [illegible]
[illegible]
of the interest thereof from the said Secretary of State in Council [illegible]
[illegible]
at any time hereafter have [illegible] paid [illegible] or received or
taken in payment by the said Secretary of State in Council [illegible]
[illegible]
[illegible] the said [illegible] then
heirs executors administrators or representatives and any person or
[illegible] the said Secretary of State in Council
[illegible] the amount of all interest which shall
[illegible] have been paid [illegible] or taken in payment
as aforesaid [illegible] all costs [illegible]
[illegible] that shall [illegible] have
been [illegible] the said Secretary of State in
Council [illegible]
[illegible]
[illegible]
[illegible] as aforesaid
And further [illegible]

[illegible]

[illegible]

and do from time to time and at all times hereafter well and sufficiently save defend keep harmless and indemnified the said Secretary of State in Council his successors and assigns and the Officer Servants or Agents of the Government and each and every of them of from and against all and all manner of action and actions suit and suits and other legal proceedings costs charges damages and expenses whatsoever which shall or may at any time or times hereafter be brought commenced or sued by any person or body corporate whomsoever and whatsoever against or happen or be occasioned to the said Secretary of State in Council his successors or assigns or any of the Officers Servants or Agents of the Government for or on account or in respect or by reason of the said note so represented to have been as aforesaid or the interest thereby secured or any part thereof or by reason or in respect of or consequent upon the said Controller of the Currency continuing to pay interest to

(Principal.)

the said upon the said note as aforesaid then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

(Principal.) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

(1st surety.) Signed sealed and delivered by

In presence of

Witness.

(2nd surety. *Occupation and address.*

Signed sealed and delivered by

In presence of

[illegible]

[illegible]

[illegible] by me

[illegible]

[illegible] by me

[illegible]

[illegible] by me

[illegible]

[illegible]
[illegible] by me

[illegible]

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND

FORM VII

([illegible])

Form of Indorsement for renewal of a Promissory Note

[illegible]

[illegible]

[illegible]

[illegible]
[illegible]

FORM VII (A).

[*See rule 17* (2).]

Form of Indorsement of the renewal of a Treasury Bill.

Received in lieu hereof a renewed Treasury Bill payable to

Signature of the $\frac{\text{holder}}{\text{duly authorised representative of the holder}}$.

FORM VIII.

[*See rule 17* (*a*).]

Form of Indorsement for sub-division of a Promissory Note.

Received in lieu hereof notes for Rs. respectively, payable to (*name of holder*), with interest payable at Treasury.

Signature of the holder / duly authorised representative of (*name of holder*).

FORM IX.

[*See rule 17* (*a*).]

Form of Indorsement for consolidation of Promissory Notes.

Received in lieu hereof a new note payable to (*name of holder*) for Rs. by consolidation with promissory note or notes Nos. (*mentioning the numbers and amounts of the other*

notes deemed to be consolidated with it and [illegible] *the loan* with interest payable at Treasury.

Holder

Signature of the

duly authorised represent-
ative of [illegible] holder

FORM X.

[*See rule 17 (c).*]

Form of Indorsement for conversion of Promissory Notes into Bearer Bonds.

Received in lieu hereof a bearer bond [illegible] in the loan of of the value of Rs a bearer bond (or bonds) of Rs each aggregating Rs with interest payable at Treasury.

Holder.

Signature of the

duly authorised represent-
ative of [illegible] holder.

FORM XI.

(*See rule 20.*)

Know all men by these presents that we

[illegible]

[illegible]

and truly made we bind ourselves and each of us our and each of our Executors Administrators and personal representatives and every of them jointly and severally by these presents sealed with our respective seals. Dated this day of
1 .

Whereas a certain promissory note or securit of the Government of India, No. of the per cent. Loan of for Rs. , dated the day of
1 , were drawn for and on behalf of the then Secretary of State in Council for India by the order and under the authority of the then Governor-General of India in Council in favour of one

Here recite facts and defects in endorsements.

And whereas the said
has applied to the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, to renew the said promissory note or securit in favour and in proper name which he said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, have consented and agreed to do on the said
with two good and sufficient sureties entering into and executing the above written bond or obligation subject nevertheless to the condition hereunder written and whereas the above bounden
at the request of the said
have agreed to become sureties for and to join with in executing the above written bond or obligation. Now the condition of the above written bond or obligation is such that if the above bounden
and each of them their and each of their Executors Administrators or legal personal representatives or any or either of them shall from time to time and at all times hereafter well and effectually save defend keep harmless and indemnified the Secretary of State for India and the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, and their lands tenements goods chattels and effects of from and against the issue of the renewed note or securit in lieu and in place of the said promissory note or securit of the Government of India, No. of the per cent. loan of
for Rupees dated the day of

I , and standing in the name of and also from the payment of all interest which has accrued due thereon or and shall from time to time hereafter become due thereon and also of from and against all and all manner of actions, suits, claims and demands whatsoever which may be instituted commenced or prosecuted or made upon or against the Secretary of State for India and the said Imperial Bank of India, Public Debt Office, Calcutta, by any person or persons who may be or claim to be entitled thereto [illegible] on behalf of the said promissory note [illegible] receipt [illegible] received [illegible] or of the interest now due and from time to time hereafter accruing due thereon respectively and also from and against all losses, costs, charges and expenses whatsoever which the Secretary of State and the said Imperial Bank of India, Public Debt Office, Calcutta, shall or may [illegible] be put to by reason [illegible] the renewal of the [illegible] or of the [illegible] interest [illegible] person or persons being or claiming to be entitled thereto [illegible] the above written bond or obligation shall be void [illegible] otherwise the same shall remain in full force and virtue.

Signed, Sealed and Delivered

FORM XII.

(See rule 5)

Form of Special Notes issued to Rulers of States in India

Government of	Rupees	Interest
No.	Rs.	per cent
[illegible]		Public Debt Office

[illegible]

[illegible]

Treasury at Fort William on (*here state the date of discharge of the loan*) Rupees
and to pay to the said Raja and His Successors Rajas of
for the time being at the General Treasury above mentioned interest on such sum from the to the date on which the same shall become payable as aforesaid at the rate of per cent. per annum such interest to be paid by equal half-yearly payments on the and on the in every year. Provided always that the said principal sum of Rupees or any part thereof and the right to receive the same and the interest thereon as aforesaid may at any time be transferred absolutely by the Raja for the time being entitled to receive the interest thereon and the Governor General of India in Council hereby agrees on surrender of this special note to issue to the said Raja or any of His Successors Raja of
, for the time being and holder of this note, promissory notes of the per cent. Loan of in the usual form for the whole or part of the said principal sum according to the request of the Raja making the surrender and to any transferee or transferee sunder the power aforesaid, promissory notes of the same Loan in the usual form for the amount transferred and to the said Raja a special note in this form for any balance thereof not represented by the notes so issued.

Superintendent.

Rs. dated the day of No.
19 .

Superintendent,
(Public Debt Office),

Controller of the Currency,
for

Secretary to the Government of India.

FORM XIII.

[*See rule 41.*]

Form of Indemnity Bond.

Know all men by these presents that $\frac{\text{I}}{\text{we}}$

$\frac{\text{am}}{\text{are}}$ held and firmly bound unto the Secretary of State for India in

APPENDIX

[illegible] Registered Deed [illegible] Secretary of State in Council [illegible] [illegible]

[illegible] Dated this [illegible] day of [illegible]

[illegible]

[illegible] High Court [illegible] Secretary of State in Council [illegible]

Whereas the above [illegible]

[illegible]

[illegible]

[illegible]

of the Currency (acting in the premises for and on behalf of the said Secretary of State in Council) has agreed to give inspection of the said notes and to afford to the said

all information and particulars affecting the said notes on condition of the said entering into and executing such bond as above written with such condition as hereunder is written.

Now the condition of the above written bond or obligation is such that if the said
heirs executors administrators and representatives shall not and will not at any time hereafter sue the said Secretary of State in Council his successors in office or assigns or any agent employed by or officer or servant of the Government for or in respect of the said Notes or the renewal or sub-division thereof or for the recovery of the value thereto or of any interest thereon or of anything done by the said Secretary of State in Council or his agents or servants in relation thereto and also shall and will save harmless and keep indemnified the said Secretary of State in Council his successors in office or assigns or any agents employed by or officer or servant of the Government against all claims demands or proceedings that may be made or instituted upon or against them or any of them by any person or persons whomsoever in consequence of the Controller of the Currency giving inspection of the said notes or affording to the said( ) information and particulars affecting the said notes then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered by

In presence of

Witness.

Occupation and address—

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND.

APPENDIX III

[illegible]

Office of Deputy Commissioners.
,, Treasury Officers.
,, Registrars of High Courts.
,, Registrar, Chief Court, Lower Burma.
,, Directors of Public Instruction.
,, Inspectors of Schools.
,, Inspectors General, Jails.
,, Inspectors General of Registration.
,, Inspectors General of Police.
,, Deputy and Assistant Inspectors General of Police.
,, District Superintendents of Police.
,, Conservators of Forests and District or Divisional Forest Officers.
,, Political Residents.
,, Political Agents.
,, District Officer, Frontier Constabulary, Peshawar.
,, Presiding Officers of Courts and Officers empowered by the Code of Criminal Procedure to require the execution of bonds.
,, Registrars of all Presidency Small Cause Courts.
,, Managers of State Railways.
,, Commanding Officers of Regiments.
,, Assistant Commissioners of Salt and Abkari Revenue, Madras.
,, Consulting Architect to Government (Madras).
,, Collector of Customs, Calcutta.
,, Sheriff of Bombay.
,, Divisional Disbursing Officers (Military Accounts).
,, Prothonotary, Testamentary and Admiralty Registrar, High Court, Bombay.
,, the Clerk of the Crown, High Court, Bombay.
,, the Court of Wards in Sind.
,, Officers Commanding Stations.
,, Secretary, Railway Board.
,, General Officers Commanding Divisions and Brigades.
,, Sheriff of Calcutta.
,, Commissioner of Customs, Salt and Excise, Bombay.
,, Registrar, Judicial Commissioner's Court, Central Provinces.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Officers of the Ceylon Government.

1. His Excellency the Governor of Ceylon.
2. The Colonial Secretary.
3. Treasurer of Ceylon.
4. Post Master General of Ceylon.
5. The Inspector General of Police, Ceylon.
6. The Commissioners of Currency.
7. The Controller of Revenue.
8. The Commissioners of the Loan Board.

[illegible]

SCHEDULE OF FORMS—*contd.*

No.	Description of Forms.	Paragraphs in the Manual containing reference to Forms.	Page of Manual.
20	Annual list of promissory notes deposited as security.	88	162
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Form 1—*concld.*

Particulars of stock certificates / bearer bonds / promissory notes tendered for conversion.				(5) Interest due under paragraph 20.	Particulars of securities required in exchange.				
					(6) Stock certificates.		(7) Bearer bonds.	(8) Promissory notes.	
(1) Loan.	(2) Number of stock certificate / bearer bond / promissory note.	(3) Value of security.	(4) Date of last half-yearly interest payment or in the case of bearer bond date up to which coupons have been paid.		Loan.	Value.*	Value.*	Loan.	Value.*
		Rs.		Rs. A. P.		Rs.	Rs.		Rs.
	Total		Total		Total			Total	

Received the securities tendered for conversion as specified above.

Date————

Treasury————

(Signature.)

Treasury Officer.

Received the stock certificates / bearer bonds / promissory notes required in exchange for the securities tendered for conversion as specified above.

Date of delivery.

Signature of the holder.

Form 3.

Register of Interest Warrants.

Date of receipt.	Printed number.	Amount of each warrant.	To whom payable.	Date of delivery.	Receipt of person to whom delivered.
		Rs.			

[illegible]

Form 4

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]

[illegible]

Details for the payment of interest.

Interest for the half-year ending	Date of payment of interest at the sub-treasury.	Sub-treasury Officer's initial.

Form 6.

Register of payment of coupons on bearer bonds.

Date.	No. of bond.	Amount of bond.	PARTICULARS OF THE COUPONS PAID.		AMOUNT OF COUPONS PAID.*			Deduction of Income tax.	Net payment.	Treasury Officer's initials.	Daily total of Net payments.
			Half years represented by coupons.	Dividen Nos. of coupons.	3½ % of 1854-55.	4 % Terminable loan of 1915-16.	4 % Conversion loan of 1916-17.				

* NOTE.—Sub-columns for War Loans, 1917 and 1918 and subsequent loans should also be opened in the register.

Form 10 [illegible]

[illegible]

Form 10 [illegible]

[illegible]

[illegible]

[illegible] 10 [illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible] 10 [illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Form 11.

Detailed list of Government promissory notes of_____per cent. loan of_____standing enfaced at_____treasury on 31st December_____

No. of note.	Amount.	No. and date of advice authorizing payment of interest.	REMARKS.
TOTAL AMOUNT .			

[illegible]

[illegible]

[illegible]

Form 15.

(To be retained at the Sub-Treasury.)

From—The Treasury Officer, ____________

To—The Sub-Treasury Officer, ____________

The present holder of the Government promissory note detailed below has applied for the payment of interest on it from your sub-treasury.

Please verify the particulars given below with those given in the Government promissory note when it is presented at your sub-treasury for payment:—

________________________________ per cent. Loan of ____________

No. of the note.	Value of the note.	Name of the present holder.	Date up to which interest has been paid.

(2) After verification of these particulars you should pay the interest due, but you should record the payment of the interest in the columns on the reverse of this form and also in the proper cage in the promissory note before paying the money to the holder of the note.

(3) In the case of any change of ownership by transfer endorsement, the note should be forwarded to the District treasury for instructions.

Treasury Officer.

Form 116.

Register of Powers-of-Attorney, Probates, Certificates, etc.

Serial No.	Date of registry.	Date of document.	Name of principal.	To whom granted.	Description.	Limitation of power.

1. Separate pages should be reserved for separate initials, and the entries under each initial should have a separate series of numbers.

2. In the case of probates, etc., and orders of court, the name of the court, and any number it may have assigned to its order, may, with advantage, be noted in the column of "Date of Document."

[illegible]

Form [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Form 18 (Foolscap size).

Particulars of securities forwarded for safe custody to

Official designation of officer.	Fund, person or trust in whose behalf the investment is held.	Particulars of notes.				To what date interest has been paid.	Remarks.
		Number.	Per cent.	Loan of	Amount.		
					Rs.		

Form [illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]		

Form 20.

List of Government promissory notes in the custody of————on the 31st December 192 .

Serial	Name of person or Fund in whose behalf held.	Amount of Investment.*									Name of officer to whom interest is sent.
		$3\frac{1}{2}$ per cent. of 1842-43.	$3\frac{1}{2}$ per cent. of 1854-55.	$3\frac{1}{2}$ per cent. of 1865.	$3\frac{1}{2}$ per cent. of 1879.	$3\frac{1}{2}$ per cent. of 1900-01.	3 per cent. of 1896-97.			Total.	

*Sub-columns for War Loans 1917 and 1918 and subsequent loans should also be opened in the register.

Form 21

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Form 22.

Acknowledgment of receipt.

Government promissory notes received for safe custody at the treasury.

Case No.	Date of receipt.	Name of depositor.	Number.	Particulars.		
				Loan.	Amount.	Interest paid up to
				Total Rs.		

__________ Treasury,

The __________ *192* .

____

Signature of the Treasury Officer.

Form [illegible]

[illegible]

RECEIPTS	ISSUES
[illegible]	[illegible]

[illegible]

Form 24.

Form of application for withdrawal of Government promissory notes held in safe custody.

I request that the undermentioned Government promissory notes held in safe custody at the———————Treasury on my behalf may be returned to me $\frac{\text{direct}}{\text{by post}}$ duly endorsed in my favour. I enclose herewith the original receipt No. ————dated——————granted by the Treasury Officer.

PARTICULARS OF NOTES TO BE RETURNED.

Number.	Loan.	Amount.	Interest paid up to.
		Rs.	
	Total.		

Signature of the Depositor.

Date————————

Address————————

To

THE TREASURY OFFICER,

————————

Form 35

[illegible]

[illegible]
[illegible]

Form 26.

Interest Distribution Register.

Total amount of interest realised on the notes in the loan of......	Reference to Ledger Abstract.	Name of depositor.	Number of the note.	Amount.	Total amount.	Amount of half-yearly interest.	Rate of income tax.	Amount of income tax.	Net amount payable.	Date of payment.	Initials of T. O.
1	2	3	4	5	6	7	8	9	10	11	12

FORMS.

Form 27

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
				[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Form 26.

Interest Distribution Register.

Total amount of interest realised on the notes in the loan of......	Reference to Ledger Abstract.	Name of depositor.	Number of the note.	Amount.	Total amount.	Amount of half-yearly interest.	Rate of income tax.	Amount of income tax.	Net amount payable.	Date of payment.	Initials of T. O.
1	2	3	4	5	6	7	8	9	10	11	12

Case No.______

Form 28.

G. P. Notes returned from safe custody. ______ treasury.

192 .

No.______

Application received No. , dated the of

From

Abstract of Notes returned the details of which are given overleaf.

No. of pieces.					
	Government promissory notes of the 3½ per cent. Loans of the aggregate nominal value of R				
	"	"	"	3 "	" " " " "
	"	"	"	4 "	" " " " "
	"	"	"	5 "	" " " " "
	"	"	"	5½ "	" " " " R
	"	"	"	6 "	. . . .
	"	"	"		
"	. . . . . .	Totals	. . . .		

Total (in words) Rupees

Register of receipt entry No. , dated the of 192

Received from the Treasury Officer the Government promissory note which had been deposited with him for safe custody, as specified below returned with his No.______ dated the of 192 :—

No. of pieces.					
	Government promissory notes of the 3½ per cent. Loans of the aggregate nominal value of R				
	"	"	"	3 "	" " " " "
	"	"	"	4 "	" " " " "
	"	"	"	5 "	" " " " "
	"	"	"	5½ "	" " " " R
	"	"	"	6 "	. . . .
	"	"	"		
	. . . .	Total	. . . .		

Total (in words) Rupees

*Signature of the depositor*______

*Date*______

*Address*______

REVERSE.

Particulars of Notes referred to overleaf.

No. of Notes.	Rate per cent.	Loan of	Nominal value.	Carrying interest from	Endorsed in favour of

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